

AN ECONOMIC REPORT
TO THE
GOVERNOR
OF THE
STATE OF TENNESSEE
On the State's Economic Outlook

JANUARY 2006



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Preface

This 2006 volume of *An Economic Report to the Governor of the State of Tennessee* is the thirtieth in a series of annual reports compiled in response to requests by state government officials for assistance in achieving greater interdepartmental consistency in planning and budgeting efforts sensitive to the overall economic environment. Both short-term, or business cycle-sensitive forecasts, and longer-term, or trend forecasts, are provided in this report.

The quarterly state forecast through the first quarter of 2008 and annual forecast through 2015 represent the collective judgment of the staff of the University of Tennessee's Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by Global Insight, Inc. Tennessee forecasts, current as of December 2005, are based on an array of assumptions, particularly at the national level, which are described in Chapter One. Chapter Two details evaluations for major sectors of the Tennessee economy, with an agriculture section provided by the University of Tennessee Agricultural Policy Analysis Center. Chapter Three presents the long-run outlook and forecast for the state. Chapter Four describes the results of two recent studies of Tennesseans' attitudes about education, one study of adults and one of high school juniors and seniors. Conducted for the Tennessee Office of the Comptroller of the Treasury, these studies help shed light on Tennesseans' beliefs about the value of education and raise interesting policy questions for consideration.

The primary purpose of this annual volume—published, distributed, and financed through the Tennessee Department of Finance and Administration, Tennessee Department of Economic and Community Development, the Tennessee Department of Revenue, the Tennessee Department of Labor and Workforce Development, and the Appalachian Regional Commission—is to provide wide public dissemination of the most-current possible economic analysis to planners and decision-makers in the public and private sectors.



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Associate Director and Project Director
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Executive Summary

The U.S. Economy

The U.S. economy endured two of the most damaging hurricanes in our country's history in 2005. Despite these well-publicized events, inflation-adjusted Gross Domestic Product (GDP) managed to grow at an annual rate of 4.1 percent in the third quarter of 2005. This represented an impressive continuation of the steady recovery that has characterized the American economy since the last recession in 2001. Strong labor productivity and an impressive housing market worked together to help businesses and consumers maintain relatively strong spending patterns in the face of high gasoline prices and a hurricane-induced jolt to consumer and business confidence. Additionally, the Federal Reserve Bank (Fed) increased interest rates eight times in 2005 to help moderate inflation growth which was driven in large part by startlingly rapid oil price growth.

We expect the economy to maintain reasonably strong growth in 2006, helped substantially by the rebuilding process that typically follows major natural disasters. Inflation-adjusted GDP will grow at a 3.4 percent annual rate over the course of the next year, supported by significant growth in business investment (10.1 percent), consumption spending (3.1 percent), and government spending at the federal (2.9 percent) and state and local (1.8 percent) levels. Export growth will outpace import growth, reducing the trade deficit's drag on economic growth.

The lone sector expected to decline in 2006 will be residential housing investment, where we expect a somewhat-overdue contraction of 2.7 percent despite significant rebuilding in hurricane-affected areas. Inflation as measured by the percentage change in the Consumer Price Index (CPI) will remain quite low at a rate of 2.6 percent, despite high oil prices, while unemployment will retreat slightly to 4.8 percent. Personal income growth is expected to reach 6.0 percent alongside slow but positive non-farm employment growth of 1.5 percent.

The Tennessee Economy

Current Economic Outlook. The Tennessee economy solidified its foundation in 2004 and 2005 following a period of mixed economic growth in the aftermath of the 2001 recession. Most economic indicators for the last two years point to an economy that has continued to expand. The sustained growth in the last year is especially notable in the face of rising interest rates and a sharp spike in energy prices.

State labor markets showed marked improvement in 2004 with nonfarm jobs advancing at a 1.4 percent pace for the year. While job growth slowed to 1.0 percent in 2005, the rate of decay in manufacturing employment also slowed. Tennessee's rate of job growth exceeded that of the nation in 2004, but trailed the nation last year. The nation's rate of job loss in manufacturing continues to exceed the rate of job loss in Tennessee. Since 2000, the state has lost 76,900 manufacturing jobs while the national economy has witnessed the loss of 3 million jobs in the industrial sector. Because manufacturing represents a larger share of the economic base in rural Tennessee, it is rural portions of the state that have been hit the hardest by industrial contraction.

Executive Summary, continued

Services remain the primary source of job creation for the state economy, with employment growth especially strong in the state's metropolitan areas. With the exception of information services, which suffered a 2.5 percent setback in 2005, and other services, which saw jobs grow at a 0.8 percent rate, the service sectors enjoyed growth well ahead of the average for all nonfarm jobs.

The state unemployment rate for 2005 stood at 5.6, well above the 4.0 percent rate that prevailed in 2000. The U.S. unemployment rate for the year was one-half percentage point lower than the state rate. An especially noteworthy feature of the state labor market has been growth in the labor force and employed people. The labor force was up only 0.2 percent in 2004 and then contracted in 2005. The number of employed people also fell last year. The number of unemployed people grew in 2005.

Personal income growth in Tennessee totaled 5.7 percent in 2005, while income for the nation grew at the slower rate of 5.4 percent. Proprietors' income has performed especially well in Tennessee. Tennessee nominal per capita personal income stood at \$31,127 in 2005 which was 90.3 percent of national per capita personal income (\$34,484). There is considerable variation in per capita personal income across the state. Williamson County led the state in 2005 (\$41,717) while Hancock County had the lowest per capita personal income in the state (\$14,610).

Taxable sales have steadily improved since the recession of 2001 when inflation-adjusted sales contracted. Growth for 2005 totaled 6.7 percent, benefiting from especially strong growth in purchases from manufacturers and miscellaneous nondurable goods.

Short-Term Economic Outlook. The state economy is expected to show continued expansion through the short-term outlook window extending to 2008. Job growth is expected to improve somewhat over 2005, but will trail the nation. Income growth in Tennessee will also lag the nation, but nonetheless register healthy gains in the years ahead.

Nonfarm job growth in Tennessee is projected to total 1.2 percent in 2006 and 2007 and 1.3 percent in 2008, led by growth in most of the service sectors. (Only information services will see job losses through 2008.) Year-over-year job growth in manufacturing is expected to return to the black in the second quarter of 2006 yielding weak but positive job growth of 0.2 percent in 2006 and further improvement in the following year. Improvement in durable goods employment is expected to offset continued job losses in the state's nondurable goods sector.

Slight improvement in job growth will help move the state's unemployment rate down to 5.3 percent in 2006 and 2007. The U.S. unemployment rate is expected to rest below 5 percent in each of these years. Labor force growth in Tennessee will accelerate some, but the labor force participation rate will continue to contract through the short term.

Executive Summary, continued

Tennessee is expected to see nominal personal income grow 5.5 percent both this year and next year. Proprietors' income is projected to continue to lead overall income growth. Per capita personal income in Tennessee will grow more slowly than for the nation, translating into a widening disparity in relative well-being in the next two years.

On a fiscal year basis, personal income for the state economy will rise 5.3 in 2005/06 and improve to 5.6 percent growth in 2006/07. Taxable sales will expand 6.2 percent in the current fiscal year and 5.3 percent in 2006/07.

Situation and Outlook for Tennessee Agriculture. Despite weather and market uncertainties and unprecedented fuel and fertilizer prices post-Katrina, 2005 was another good year for Tennessee agriculture. Yields and production levels were strong and livestock prices were favorable. Crop prices remained low, although poor market returns were offset somewhat by government commodity payments. The net effect appears to be healthy farm gate income in 2005, although likely lower than 2004.

Absent abnormal weather patterns or other unexpected events, farm income in 2006 is projected to decline, with persistently low crop prices and declining cattle prices. Cattle/calves is Tennessee's highest grossing commodity, with \$514 million in receipts in 2005. The long-term cattle cycle has now peaked and expansion has begun, pushing down price expectations after three years of good gains. With high levels of U.S. and world carryover stocks, prices for most of Tennessee's major crops will likely decline further in 2006, increasing our dependence on government subsidies, especially for cotton, corn, and soybeans. Besides low market prices, rising costs of production are also a significant threat to farm profitability, particularly higher prices for fuel and petroleum-derived fertilizer. Rising interest rates and steadily rising cropland values are also pressuring profitability and will likely contribute to lower overall farm sector income in 2006.

Federal farm policy significantly influences farm sector decision making and profit potential, especially for crop farmers. As the 2007 Farm Bill dialogue progresses in 2006, several forces are coalescing that could trigger significant changes to the nation's farm policy; changes not likely to be in favor of Tennessee's traditional beneficiaries. In 2005, the General Assembly made a one-time \$5 million investment in revitalizing and developing Tennessee's agricultural industry in several key areas: integration into the National Animal ID System, beef cattle genetic improvements, and agricultural development and diversification. These investments are increasingly important given the prospects for declining federal farm support in the future, and given the significant investments in agricultural and rural development and diversification in neighboring states (nearly \$700 million in Virginia, Kentucky, and North Carolina since 1999). Another bright spot in the future outlook for the agricultural sector is the potential benefits from developing a viable agricultural-based alternative energy industry, with several new initiatives underway in the state.

Executive Summary, continued

Long-Term Historical Trends. The Tennessee economy enjoyed exceptionally strong rates of growth in the early 1990s. The state was not only ahead of the national average in measures like job growth, but it was near the top across all states. Since 1995, Tennessee's economic growth has cooled off relative to the nation. In 1995, per capita personal income in Tennessee relative to the national average peaked at 93.2 percent, but by 2000 had slipped to 87.8 percent. While some ground has been made up since that time, the state's per capita personal income continues to lag the nation. Total personal income growth and job growth trailed the nation between 1996 and 2000. Since the recession of 2001, the state's performance has been mixed with some economic indicators leading and others lagging the national economy.

In this year's *Report*, the review of long-term historical trends has an added focus on the state's manufacturing sector and the transportation equipment sector. As recently as 1995, manufacturing accounted for 518,900 jobs in Tennessee, but by 2005 the job count had fallen to 411,100. The losses in some sectors are striking. For example, apparel employment went from 48,700 in 1995 to 8,400 in 2005. The pattern taking place in Tennessee is similar to the pattern taking place across the American states. The loss in manufacturing jobs is important since the jobs pay well and workers often receive an array of fringe benefits including health insurance. As manufacturing has slipped in importance, the service sector has risen in prominence. Manufacturing continues to be the economic foundation in many rural counties of the state while the state's metropolitan areas increasingly rely on services as the engine of economic growth. At the same time that *jobs* are being lost in the manufacturing sector, the state's industrial *output* continues to expand as a result of healthy gains in productivity.

One of the important positive trends that has emerged within manufacturing is the growth of the transportation equipment sector. Transportation equipment includes not only automobile assembly, but also the manufacture and assembly of a wide array of vehicles ranging from trucks to boats to aerospace products. Accounting for only 1.4 percent of gross state product (GSP) in 1977, transportation equipment accounted for 2.7 percent of GSP in 2003. The location of the Nissan and Saturn assembly facilities in the state in the 1980s proved instrumental in fostering strong job growth not only in the transportation equipment sector, but in other sectors of the state economy as well. While transportation equipment is undergoing transformation in the global economy, Tennessee continues to see important gains. Examples include Nissan's decision to move its corporate headquarters to middle Tennessee and Denso's announcement that it would place a production facility in east Tennessee. Further transformation of the industry can be expected in the years ahead that will put new pressures on the state's transportation equipment sector. Recently announced job cutbacks on the part of GM and Ford are illustrative of the pressures and changes taking place in the industry.

Executive Summary, continued

Long-Term Economic Outlook. Over the near term, job growth for the nation will surpass job growth in Tennessee. But U.S. job growth will slow (into 2012) while state job growth accelerates. Between 2005 and 2015 the state's overall rate of job creation will exceed the nation. The state's manufacturing sector is expected to see slightly positive job growth through the long-term forecast window, with job growth in durable goods offsetting job losses in nondurable goods. Nonetheless, the manufacturing sector will account for 13.5 percent of all nonfarm jobs in 2015, down from 15.1 percent in 2005, due to strong job gains in other parts of the economy, including construction, financial activities and several of the service sectors. The state unemployment rate will rest above the 5.0 percent mark until 2013. Growth in the labor force and employed people will steadily improve as the economy returns to its long-term trend.

Nominal personal income growth for the state economy will align with growth for the nation at 5.7 percent (compound annual growth rate) between 2005 and 2015. Growth in Tennessee proprietors' income will lead the nation while rent, interest and dividend income will lag the nation over the same time period. The state and national economies will also see similar rates of growth in per capita income over the long term (4.8 percent compound annual growth rates).

Between 2005 and 2015, Tennessee total inflation-adjusted GSP should grow at a 3.7 percent annual rate, ahead of the pace of gross domestic product growth for the nation. Industrial output will account for 21.5 percent of gross state product in 2015 versus just under 19 percent in 2005 as productivity gains trump a declining share of state jobs in manufacturing.

Understanding Tennesseans' Attitudes about Education

Tennessee's economy continues to transition, as manufacturing employment declines and services occupations grow. Global competition in the years to come ensues further change and pressure on the labor force and the economy as a whole. The ever changing economy mandates changes in the skills and education levels of Tennesseans.

In light of these challenges, Tennessee's stakeholders—including policymakers, educators, business and community leaders, and more—would benefit if more Tennesseans recognized that education is critical not only to their own personal well being (through higher earnings and reduced welfare dependencies) but also to employers who require high-skilled, high-education workers. Higher levels of educational attainment would also relieve some pressure on state and local government, by making business recruiting more fruitful, increasing tax dollars, and reducing crime costs.

As the state evaluates and develops policies and programs to improve the educational system, remove barriers to attainment, and incentivize both youth and adults to reach their maximum education potential, it is important to understand how highly Tennessee's youth and adults value education. To assess attitudes, the office of the Tennessee Office of the Comptroller of the Treasury contracted with the Center for Business and Economic Research to conduct two studies to measure Tennessean's attitudes about education. Chapter 4 highlights certain findings from these two studies and provides a glimpse at just some of the policy challenges to stakeholders made evident by them.

The U.S. Economy

In this chapter...

1.1. Introduction

1.2. The Year in Review

*Inflation and Unemployment
Components of GDP*

1.3. The U.S. Forecast

*Consumption and the Labor Market
Investment and Interest Rates
Government Spending
Net Exports*

1.4. Alternative Scenarios

1.5. Forecast Summary and Conclusions

1.1. Introduction

The U.S. economy managed to survive several major setbacks in 2005. Despite record-high gasoline prices and two of the worst natural disasters in American history, economic growth slowed only slightly. Inflation-adjusted Gross Domestic Product (GDP), perhaps the most widely used indicator of overall economic health, was growing at an annual rate of 4.1 percent as of the third quarter of 2005.

This chapter is intended to provide a brief overview of the current economic situation for the nation along with a short-term forecast of things to come.¹ To summarize briefly in advance, the U.S. economy appears to be in good health. Strong labor productivity and moderate inflation have worked together to help businesses and consumers maintain relatively strong spending patterns. Also, the Federal Reserve Bank (Fed) increased interest rates eight times in 2005 to help keep the economy from over-heating.

Economic growth will continue, although at a slower rate, in 2006. Specifically, inflation-adjusted GDP is expected to rise at a 3.4 percent seasonally adjusted annual rate (SAAR), down slightly from expected growth of 3.6 percent in 2005.² The sustainability of stronger economic growth will be ensured by robust business investment in all categories (equipment, software, and structures) and an improving international trade sector, combined with slightly slower but strong growth in consumer and government spending, all of which will offset a slight decline in residential housing investment.

1. CBER bases its forecast on that provided by Global Insight, Inc.

2. Unless otherwise noted, all growth rates in this chapter are seasonally adjusted annual rates (SAARs).

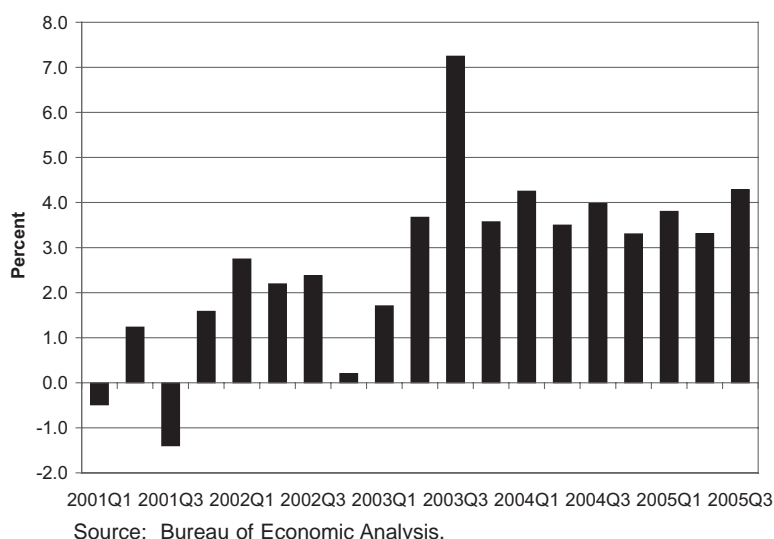
1.2. The Year in Review

Casual observers of the American economy typically concern themselves primarily with the probability of recession. Economists traditionally define a recession as at least two consecutive quarters of inflation-adjusted (real) GDP decline. As shown in Figure 1.1, inflation-adjusted GDP growth has been positive since the third quarter of 2001. Growth has been generally stable in the neighborhood of 3.5 to 4.0 percent over the past three years, with the obvious exception of the third quarter of 2003 when real GDP grew by more than 7 percent.

The Business Cycle Dating Committee at the National Bureau of Economic Research (NBER) is responsible for officially determining the beginning and ending dates of U.S. recessions. The NBER goes well beyond real GDP in this process, looking instead at more detailed indicators of macroeconomic activity. Two critical elements in the NBER's determination include total non-farm employment and inflation-adjusted personal income after all government transfers (disposable personal income), shown in Figure 1.2.³

Despite slight adjustments in late 2003 and late 2005, total personal income has continued to grow since the 2001 recession. Fortunately, total employment turned the corner in late 2003 and has been growing steadily ever since, even though the manufacturing sector continues to experience employment reductions (14.3 million jobs in 2005, down from 1998's total of 17.6 million jobs). One of the main economic stories in 2004 was the slow rate of employment growth. Thanks to continued slow growth in late 2004 into 2005, total non-farm employment is now finally above where it was before the 2001 recession. Economic growth rates have continued to exceed the sluggish job growth as a result of continued rises in labor productivity. As shown in Figure 1.3, output per hour was more than one-third higher in late 2005 than it was in 1992. Growth in worker productivity, which reached an annual rate of 4.5 percent as of 2005Q3, was significantly faster than the 2004 growth rate of 2.8 percent.

Figure 1.1. Inflation-Adjusted GDP Growth



3. The employment series shown in Figure 1.2 is derived from Bureau of Labor Statistics surveys of establishments, not households.

1.2. The Year in Review, continued

Figure 1.2. Employment and Personal Income

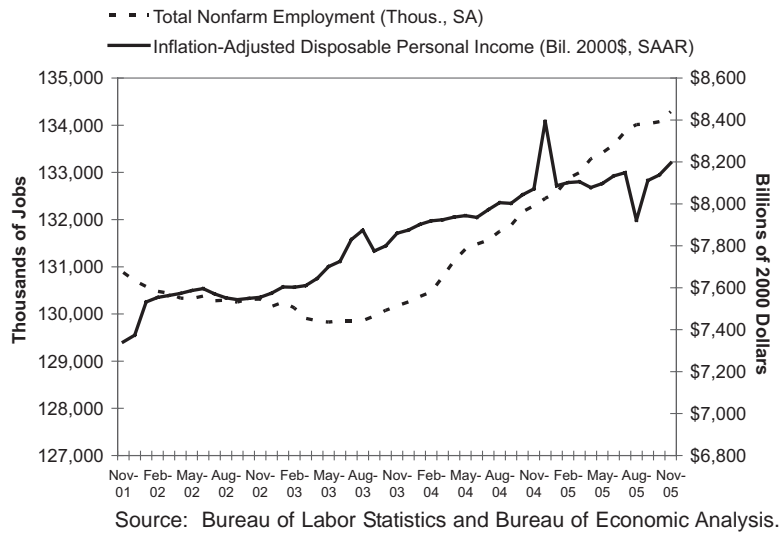
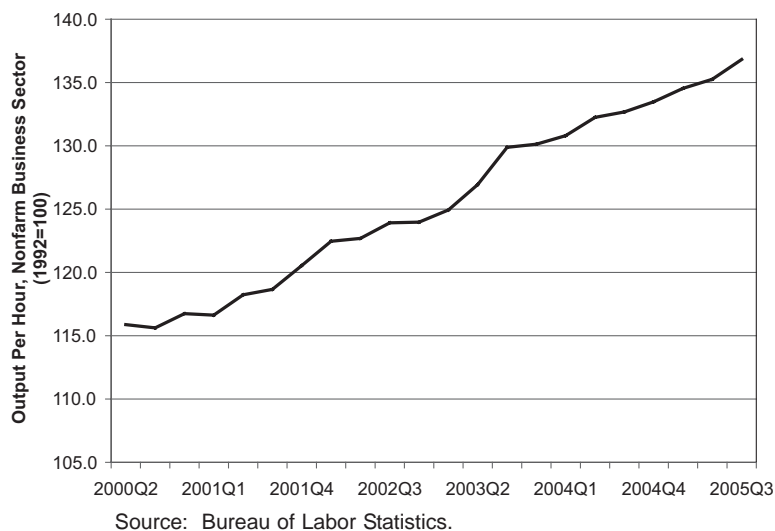


Figure 1.3. Worker Productivity



1.2. The Year in Review, continued

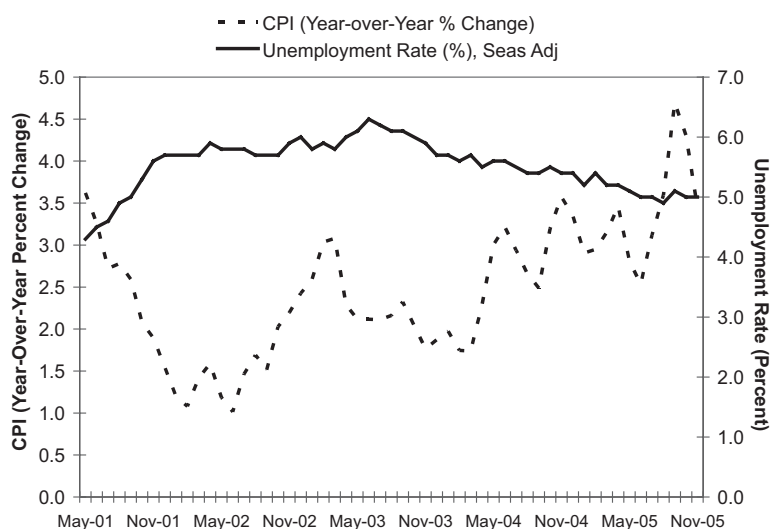
Inflation and Unemployment

Figure 1.4 shows recent movements in two other popular indicators of economic well being, the Consumer Price Index (CPI) and the Civilian Unemployment Rate. The Civilian Unemployment Rate indicates the share of the national labor force that is out of work and actively seeking employment. As shown in the figure, the labor market continued to improve in 2005 with the unemployment rate continuing to fall from its mid-2003 high of 6.3 percent to a recent low of 4.9 percent last August. Wage inflation, nonetheless, was subdued. The employment cost index, a popular leading indicator of inflationary pressure in the economy, rose by 3.2 percent on an annual basis through 2005Q3. This growth rate was down slightly from a 2004 increase of 3.9 percent.

The CPI measures the total cost of a typical market basket of consumer goods and services over time, relative to some base time period (1982-84). The percentage change in the CPI represents the general percentage increase in consumer prices, commonly referred to as inflation. Maintaining low levels of inflation has become the primary goal of the Fed, the chief executor of monetary policy in the U.S.

The CPI rose at an annual rate of 5.1 percent in 2005Q3, up dramatically from the 2004 increase of 2.7 percent. Indeed, inflation topped 4.0 percent for the first time since the 2001 recession in September 2005, driven mainly by oil price increases stemming from the economic impact of Hurricanes Katrina and Rita. Oil prices have moderated somewhat in more recent months, providing relief to consumers in the form of lower per-gallon prices at the pump (see inset and Figure 1.5). At the same time, prices of other petroleum-related products—especially natural gas—have continued to rise. As this report goes to press, upward pressure on petroleum prices has returned due to attacks on oil production facilities in Nigeria.

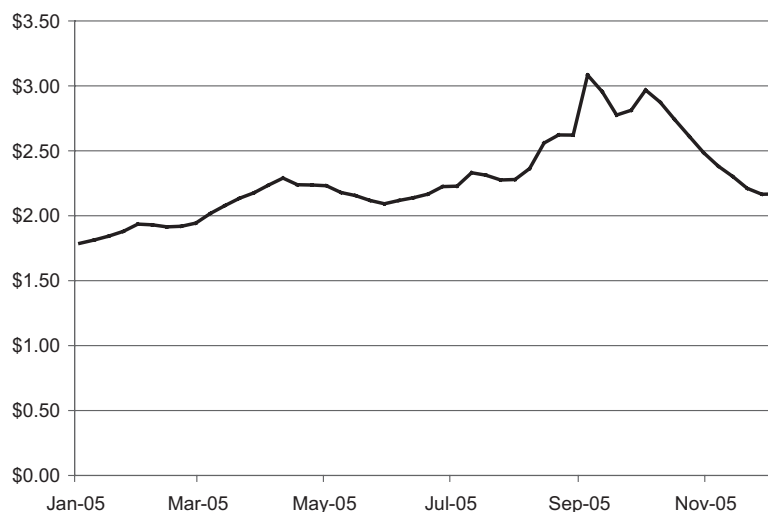
Figure 1.4. Inflation and Unemployment



Source: Bureau of Labor Statistics.

1.2. The Year in Review, continued

Figure 1.5. Average U.S. Retail Gasoline Price, All Grades, Dollars Per Gallon



Source: Energy Information Association.

2005 Economic Headlines: Hurricanes and Gasoline Prices

For the average American consumer, perhaps the most important economic event of 2005 was the rising price of gasoline. Although the increase in 2005 was dramatic, gasoline prices were actually already in the midst of a significant increase, dating back to the beginning of 2004. Factors contributing to higher gasoline prices in 2005 include continued dramatic increases in the price of West Texas Intermediate crude oil as well as Hurricanes Katrina and Rita. Despite the increase in prices, Tennessee's average retail price of gasoline has remained below the U.S. average.

The economic impact of the hurricanes was felt across the U.S., primarily in the form of higher gasoline prices. As shown in Figure 1.5, prices rose from an average of around \$2.25 per gallon during the summer to well over \$3.00 per gallon shortly after Katrina's arrival. However, retail gasoline prices declined steadily between October and the end of 2005, with prices rising again as this report went to press.

The Energy Information Association (EIA) branch of the U.S. Department of Energy (DOE) estimates that when Hurricane Katrina made landfall in late August 2005, production of crude oil was initially reduced by 25 percent and the capacity of refineries was reduced by 15 percent. About a month later, Hurricane Rita hit the Gulf Coast, causing even further damage to the energy industry. Both hurricanes had negative impacts on American energy infrastructure, although the damage related to Katrina was even more extensive due to the area's importance in the many aspects of the energy sector including the extraction of both oil and natural gas.

The Gulf Coast region leads the U.S. in refinery capacity, with double the capacity of any other U.S. region. The Gulf Coast region supplies more than half of the demand for refined oil products on the East Coast and also meets a high level of demand for the Midwest. Hurricanes Katrina and Rita also had a significant impact on the natural gas market, as Texas and Louisiana account for over 50 percent of all natural gas produced in the U.S. Following Hurricane Katrina, a large initial impact was seen in both the price of crude oil as well as retail gasoline prices.

Although oil prices increased due to a decrease in production capabilities as well as the capacity of the refineries, the shortage was somewhat mitigated by releases from the strategic oil reserve and an increase in the amount of imported oil. Such was not the case for natural gas, where no reserve supply exists. Consequently, the hurricane-induced interruption in natural gas production has resulted in prices that have remained high into 2006.

The Bureau of Economic Analysis has estimated the impact of Hurricanes Katrina and Rita on the stock of private capital to be approximately \$92 billion, roughly equivalent to 0.7% of GDP. Despite the largest damage estimates ever from a hurricane and the gasoline price shocks consumers felt at the pump, the U.S. economy has proved to be quite resilient. A significant silver lining is that spending on post-hurricane rebuilding in affected areas will facilitate stronger-than-expected growth in early 2006.

1.2. The Year in Review, continued

Inflation would likely have been much higher in the absence of a continued series of prudent increases in the Federal Funds Target Rate by the Fed (see Figure 1.6).⁴ As the economy gathers steam and steady growth becomes the norm, consumers and businesses increase their purchases. This increased demand places upward pressure on prices, which can lead to increased overall inflation. The Fed acts to increase interest rates in times such as these in order to make it more expensive for consumers and businesses to borrow money to finance their purchases.

Components of GDP

Inflation-adjusted U.S. GDP represents the total value of goods and services sold in the nation during a period of time. By definition, it is the sum of consumption spending, investment (including plant and equipment, structures, residential housing, and inventories), government spending, and spending on the international market (net exports, or exports less imports). It is important to examine the various components of real GDP in order to gain a more complete picture of economic health.

Consumption spending, which typically makes up about two-thirds of total inflation-adjusted GDP, increased at an annual rate of 4.1 percent in 2005Q3. This was only slightly better than the impressive 2004 growth rate of 3.9 percent. This has been driven by robust growth in consumer purchases of durable goods alongside consistent growth in non-durables and services.

Spending on residential housing slowed slightly from 2004's annual growth rate of 10.3 percent to a 2005Q3 rate of 7.3 percent. Housing remained incredibly strong despite somewhat erratic mortgage interest rates in 2005. As shown in Figure 1.7, the average 30-year mortgage interest rate started 2005 near 5.8 percent, fluctuated between 5.5 and 6.0 percent for most of the year, and rose to a high near 6.4 percent in November. Sales of new single-family homes were similarly fickle, falling when mortgage interest rates increased and vice versa.

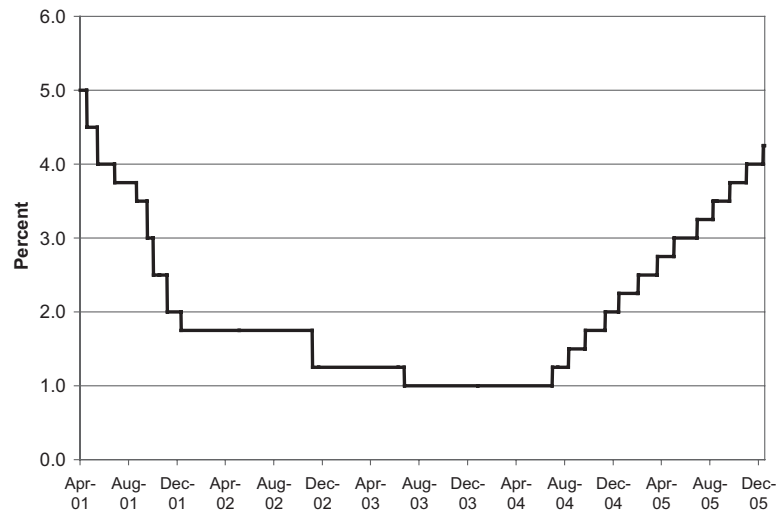
Business fixed investment rose at an annual rate of 8.4 percent as of the third quarter of 2004, down from 2004's impressive increase of 9.4 percent. Purchases of equipment and software (10.6 percent) were more than strong enough to carry slower growth in investment in structures (2.2 percent). It should be noted that the 2005Q3 numbers do not take into account the impact of the late-2005 hurricanes, the early rebuilding from which will surely result in increased growth in business fixed investment in the 2005Q4 numbers.

Government spending was growing by 7.5 percent at the federal level and by only 0.2 percent at the state and local level as of 2005Q3. The federal increase was much higher than the 2004 growth rate of 5.2 percent, while state spending was down slightly from 0.4 percent growth in 2004.

4. The federal funds rate is the interest rate charged when banks borrow from each other, either to meet reserve requirements or short-term demands for cash, usually on an overnight basis. It is changed not directly by Fed policy, but indirectly through actions of the Federal Open Market Committee.

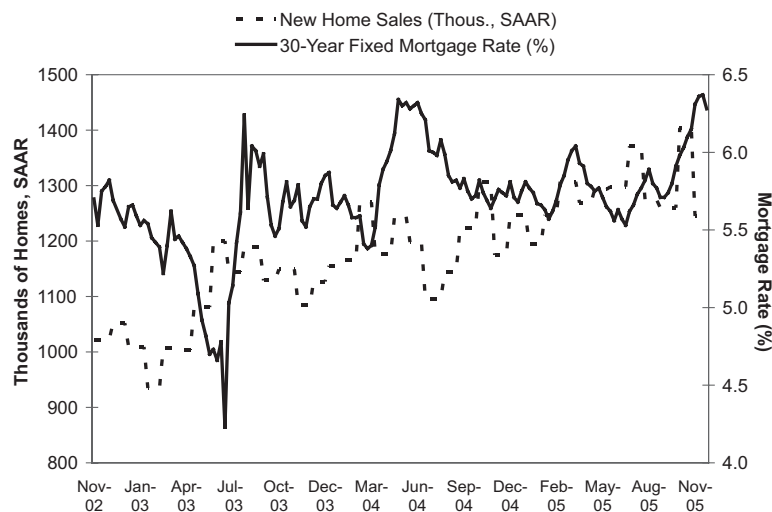
1.2. The Year in Review, continued

Figure 1.6. Federal Funds Target Rate, April 2001 to December 2005



Source: Board of Governors of the Federal Reserve.

Figure 1.7. Mortgage Rates and New Home Sales

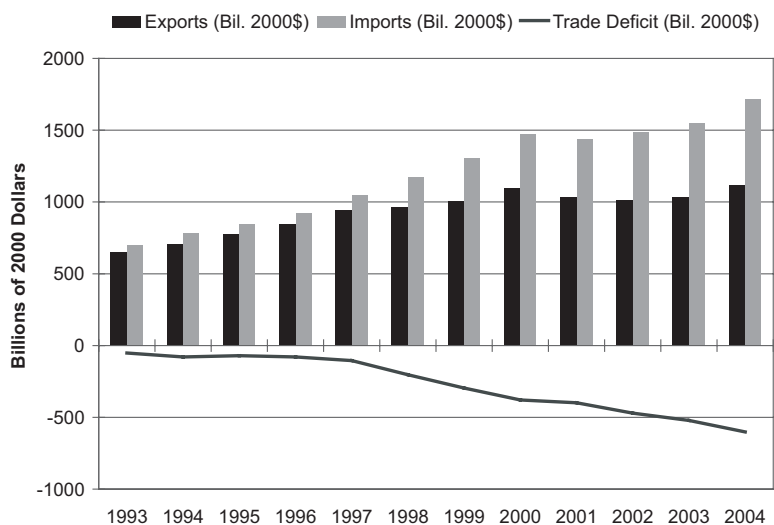


Source: National Association of Home Builders and Board of Governors of the Federal Reserve.

1.2. The Year in Review, continued

The biggest drain on domestic economic growth has typically come from the international market. Since spending by U.S. consumers on imports is included in consumption, it is subtracted from export spending in order to avoid double counting and to gauge the true level of export spending that contributes to U.S. economic growth. Imports have exceeded exports for well over a decade (see Figure 1.8), involving a net subtraction from inflation-adjusted GDP. The gap between exports and imports is known as the trade deficit.

Figure 1.8. Inflation-Adjusted Exports and Imports

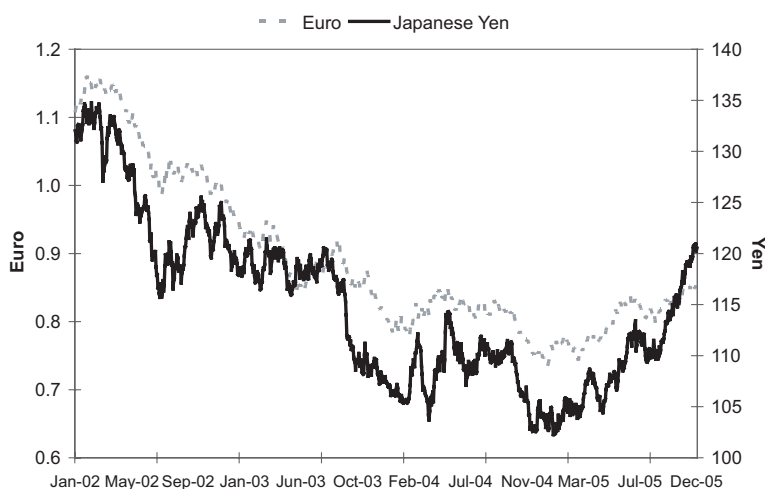


Source: Bureau of Economic Analysis.

1.2. The Year in Review, continued

The trend of increasing trade deficits seemed destined to continue as of 2005Q3, with export growth of 2.5 percent only slightly outpacing import growth of 2.4 percent. Contributing to this has been a reversal of the dramatic reduction in real exchange rates which made headlines in late 2004. As shown in Figure 1.9, the U.S. Dollar improved relative to the Euro and the Japanese Yen in 2005. While a stronger dollar reduces the price of foreign travel for Americans and increases travel costs for visitors to the U.S., it can reduce overall GDP growth. Specifically, when the stronger dollar makes U.S. exports relatively more expensive than imports from other nations, the trade deficit rises. Since the Chinese Renminbi is pegged to the dollar, appreciation and depreciation of the dollar in international currency markets does not change the relative competitive position of the domestic and Chinese economy.

Figure 1.9. Foreign Exchange Rates (Units of Foreign Currency per U.S. Dollar)



Source: Federal Reserve.

1.3. The U.S. Forecast

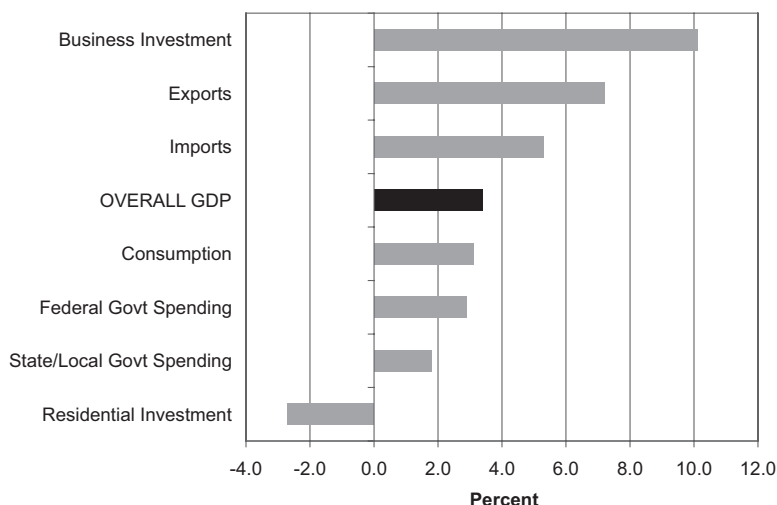
Economic growth will continue in 2006, although at a slightly slower rate than that observed in late 2005. Inflation-adjusted GDP will grow at a 3.4 percent annual rate. All segments of the economy are expected to increase, as shown in Figure 1.10, with the sole exception of residential investment (housing). Inflation and unemployment will both remain in check and job growth will improve slightly. Each of these anticipated trends is discussed in more detail below.

Consumption and the Labor Market

Annual growth in consumption spending over the course of 2006 is expected to reach 3.1 percent, down from 2005's expected growth rate of 3.9 percent. Inflation will measure 2.6 percent, slowing relative to 3.4 percent growth in 2005 as inflation remains largely subdued. This is somewhat surprising given that many of the forces behind strong consumption in recent years (low interest rates, moderate inflation, widespread mortgage refinancing) do not characterize the current condition.

Labor market conditions are expected to improve, if only slowly, through 2006. Specifically, non-manufacturing job growth will offset continued declines in manufacturing jobs and payroll employment will rise by 1.5 percent nationwide over the course of 2005, while the unemployment rate falls to 4.8 percent. The state will see slower job growth and higher unemployment rates in 2006. An unfortunate side effect from a consumer standpoint will be continued slow growth in wages (as measured by the employment cost index) at a rate of 3.7 percent. Productivity growth of 2.6 percent will offset inflationary pressure from this wage growth. Personal income is expected to grow at a 6.0 percent annual rate in 2006, well beyond its 1.8 percent pace in 2005Q3 and estimated 5.4 percent growth for all of 2005.

Figure 1.10. Expected Annual Percentage Growth in the Primary Components of Inflation-Adjusted GDP, 2006



Source: Global Insight, Inc. Executive Summary
January 2006.

1.3. The U.S. Forecast, continued

Investment and Interest Rates

Residential investment will decline slightly and business investment will continue to grow in 2006, with the slowdown on the residential side more than offset by robust growth on the business side. Beginning with residential fixed investment, housing starts will slow to an annual rate of 1.894 million units in 2006 even while Gulf Coast states continue the post-hurricane rebuilding process. Mortgage interest rates will be a contributing factor, with the effective 30-year fixed mortgage rate averaging 6.7 percent and rising throughout 2006. On net, residential fixed investment is expected to fall by 2.7 percent in 2006.

Business fixed investment will continue to display impressive growth in 2006, at an extraordinary rate of 10.1 percent, helped in large measure by post-hurricane reconstruction in affected areas. All segments of business investment—including equipment, software, and structures—will experience strong growth this year. Business investment in structures will grow at an annual rate of 11.8 percent. As economic growth continues to gather steam, the federal funds rate is projected to continue its steady rise from the current rate of 4.25 percent to 4.75 percent in March 2006. This action should be enough to stave off inflation but should not seriously dampen investment spending. The prime rate is expected to rise from 6.2 percent in 2005 to 7.7 percent in 2006.

Government Spending

Spending growth at the federal, state, and local levels is expected to match 2005 growth rates. Specifically, expect growth in federal government spending of 2.9 percent in 2006. Increased spending related to the 2005 hurricanes and the new Medicare prescription drug program, combined with the continued effects of recent federal tax cuts, will result in a larger federal budget deficit in 2006. State and local spending will also increase, but only at an annual rate of 1.8 percent. As with the federal government, a significant share of new spending will relate to post-hurricane rebuilding, especially in gulf-coast states.

Net Exports

Inflation-adjusted exports will rise at an annual rate of 7.2 percent in 2006, while inflation-adjusted imports will rise at a slower rate of 5.3 percent. These patterns reflect continued strong foreign markets for U.S. products alongside slightly slower demand for foreign products among U.S. buyers. The end result of these trends is that the trade deficit will continue to be a drag on economic growth, but its impact will be somewhat smaller.

1.4. Alternative Scenarios

There exists widespread optimism that the current economic expansion will continue. Nonetheless, overall economic growth could be slower than the baseline forecast of 3.4 percent if a number of key risks materialize. As in recent years, these risks include more rapid inflation and a rapidly declining dollar, both of which could lead to earlier and larger interest rate increases and lower consumer and investor confidence. Higher oil prices could have similar effects on the aggregate economy. Nonetheless, even these more pessimistic scenarios would not involve outright recession, merely slower economic growth than in the baseline forecast.

Alternatively, better-than-expected economic growth might result if strong productivity growth continues, oil prices fall, and businesses continue their recent investment spending. Such a scenario would likely involve lower rates of inflation, allowing interest rates to remain near current values. The slowdown in the housing sector would not materialize as quickly, and improved foreign economic conditions could reduce the trade deficit's impact on overall growth.

1.5. Forecast Summary and Conclusions

Expect the ongoing economic expansion to continue in 2006.

- Inflation-adjusted GDP will increase at an annual rate of 3.4 percent.
- The increase will be fueled by strong growth in business investment (10.1 percent).
- Residential housing investment will fall by 2.7 percent while mortgage interest rates continue to rise.
- Government spending will grow at the federal (2.9 percent) and state and local (1.8 percent) levels.
- Strong export growth will outpace robust import growth.
- The inflation rate, as measured by the Consumer Price Index, will fall to 2.6 percent.
- The unemployment rate will fall to 4.8 percent.
- Interest rates are likely to continue their gradual rise.

The Tennessee Economy: Short-Term Outlook

In this chapter...

2.1. Introduction

2.2. Recent Trends in the Tennessee Manufacturing Sector

2.3. The Current Economic Environment

2.4. Short-Term Outlook

The State Labor Market
Personal Income and Taxable Sales

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture
Tennessee Agricultural Sector Outlook
Agricultural Sector Issues and Opportunities

2.1. Introduction

It has now been over four years since the national recession ended. After struggling with job losses that extended through 2003, 2004 was a break out year for the state as job growth rebounded with a 1.4 percent gain. While job growth slowed somewhat in 2005, the overall expansion continues unabated. As the Tennessee economy has expanded, so too has the national economy (see Chapter 1). By several measures—including job growth and the unemployment rate—the national economy performed somewhat better than the state economy in 2005. But Tennessee's personal income growth did lead the nation last year. Both Tennessee and the nation will enjoy economic expansion through the short-term forecast horizon that extends into 2008.

The remainder of this chapter provides a more in-depth discussion of recent economic trends and the short-term economic outlook for the state. First is a discussion of recent trends for the manufacturing sector of the state economy. While the manufacturing sector has witnessed jobs losses dating back to the 1990s, industrial activity remains a key element of Tennessee's economic base. Second is an examination of other aspects of the state economy, including the state labor market, personal income growth and taxable sales. Both of these discussions will help frame the third major section of the chapter which explores the economic outlook extending into 2008. Finally, this chapter provides a profile of Tennessee's agricultural sector, including its outlook, issues, and opportunities.

2.2. Recent Trends in the Tennessee Manufacturing Sector

The state and national manufacturing sectors were battered by the recession of 2001.¹ Manufacturing's recent trough was in the same year when jobs losses in Tennessee amounted to 6.9 percent. Little improvement was seen in 2002 as jobs were down 5.7 percent. In 2000, manufacturing jobs represented 17.9 percent of all jobs in the state (versus 13.1 percent for the nation), but by 2005 manufacturing's role had slipped to 15.1 percent (versus 10.7 percent for the nation), translating into job losses totaling almost 80,000. While the state saw some new manufacturing firms enter the state and numerous existing firms add to their payroll over this time period, the overall trend is a declining relative contribution of manufacturing to the state's job base.

Despite the loss of jobs, manufacturing continues to be an important component of the Tennessee economy. In addition to the sheer number of jobs still in the manufacturing sector (about 411,100 in 2005), the jobs generally pay well. While the overall average wage and salary for the state was \$37,235 in 2005, manufacturing jobs paid an average of \$43,971, a premium of over 18 percent. Jobs in the durable goods sector received an average wage of \$43,290, and jobs in the nondurable goods sector received an average wage of \$45,085. It is also the case that workers in the manufacturing sector have a greater likelihood of receiving fringe benefits like health insurance than workers in other broad sectors of the economy. This places less pressure on the public health system, in particular TennCare. The tax base associated with manufacturing firms is of great importance, especially for local governments and the property tax. Finally, many manufacturing firms are often exceptional corporate citizens, making cash and in-kind gifts to important charitable causes within their respective communities.

The state's manufacturing sector is expected to rebound in 2006 with weak but positive job growth. This would be the first time since 1998 that the state on net added a job in manufacturing (see below). But manufacturing will never return to the prominence it held decades ago. To put the pressures on Tennessee's manufacturing sector in perspective, the national economy is projected to continue to shed manufacturing jobs through 2015. Weak job growth in manufacturing, coupled with strong growth in the service sector, means an ever smaller job pie for Tennessee's manufacturing sector in the years to come.

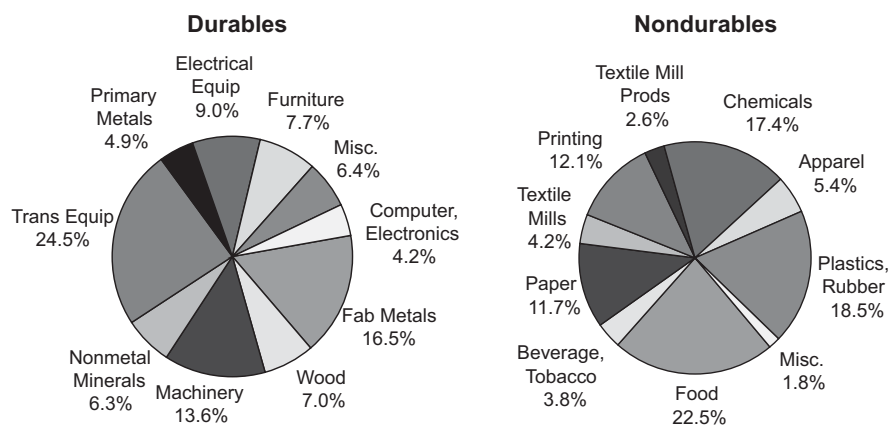
1. This section, as well as portions of Chapter 3, draw from *The State of Manufacturing in Tennessee*, a report recently released by CBER. The report is available at <http://cber.bus.utk.edu/pubs/mnm105.pdf>.

2.2. Recent Trends in the Tennessee Manufacturing Sector, continued

Durable goods manufacturing now plays a more important role in the state economy than does nondurable goods manufacturing, a reversal of fortunes that dates back to the early 1990s. In 2005 there were 255,100 jobs in the state's durable goods sector and 155,900 jobs in the nondurable goods sector. The mix of jobs in these two components of the economy is shown in Figure 2.1. Within the durable goods sector, transportation equipment is the largest subsector, accounting for about one in four (or 62,500) jobs. (See Chapter 3 for further discussion of the state's transportation equipment sector.) Next in line are the fabricated metals and machinery subsectors with 16.5 percent and 13.6 percent of the jobs in durable goods.

As is the case for durable goods, the nondurable goods sector displays a roughly similar reliance on a single subsector—in this instance food production—which accounts for almost one in four (or 35,000) jobs. The plastics and rubber subsector ranks second with 18.5 percent of the jobs and a total of 28,800 positions. The apparel sector used to be a large and vibrant sector of the state economy. As recently as 1993 there were 55,500 jobs engaged in apparel production accounting for over 24 percent of all jobs in nondurable goods production. In 1995 apparel's role had diminished to only 8,400 jobs or 5.4 percent of the jobs in the nondurable goods sector.

Figure 2.1. Tennessee Manufacturing Jobs, 2005



Source: Center for Business and Economic Research.

2.2. Recent Trends in the Tennessee Manufacturing Sector, continued

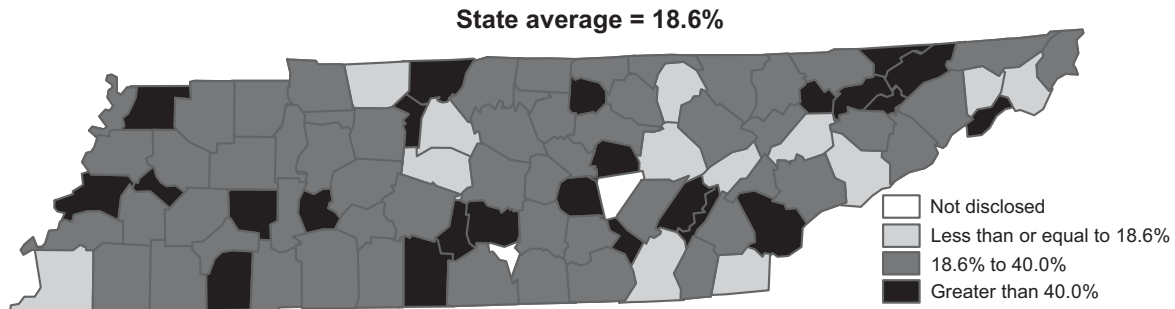
Manufacturing still accounts for a large number of jobs in the metropolitan counties of the state, but because of the large number of jobs in other sectors—particularly the service sector—manufacturing tends to be a small share of the metropolitan job base. The state's rural counties, however, continue to rely disproportionately on manufacturing as shown in Figure 2.2. Twenty-three counties depend on industrial production for more than 40 percent of their jobs, and all of these counties are rural. (Recall that statewide only 15.1 percent of all nonfarm jobs are in manufacturing.) The local economic base can be viewed as a portfolio. If the portfolio is diversified, changes in the performance of one sector will have a muted effect on the overall economy due to the diversity of jobs across sectors. But if the portfolio is concentrated on a single sector, that sector's fate drives the performance of the portfolio itself.

An alternative perspective on manufacturing's role in the state is offered by Figure 2.3 which shows the number of manufacturing establishments for each of Tennessee's counties for 2003 (the most recent year for which data are available). The state's metropolitan counties tend to have far more manufacturing establishments than is the case for rural counties, which is simply a reflection of their size. Shelby County has more manufacturing plants than any other county in the state (776), but because there are 20,700 firms in the local economy, manufacturing accounts for only 3.7 percent of all firms. Similarly, in Davidson County there are 650 manufacturing establishments, but they represent only 3.6 percent of all firms in the county. On the other hand, while Union County has only 25 manufacturing firms, they account for over 13 percent of all firms in the community.

Statewide there were 6,824 manufacturing firms in 2003, accounting for 5.3 percent of all establishments in the state. Tennessee has a greater relative reliance on manufacturing firms than any other state in the southeast. Coming in behind Tennessee in 2003 were North Carolina (5.1 percent of all firms) and Alabama (5.0 percent of all firms). The fact that 15.1 percent of all nonfarm jobs versus 5.3 percent of firms in Tennessee are in manufacturing means that manufacturing establishments tend to be larger than firms in other sectors of the economy. Manufacturing firms tend to be of smaller size in metropolitan counties than in their rural counterparts.

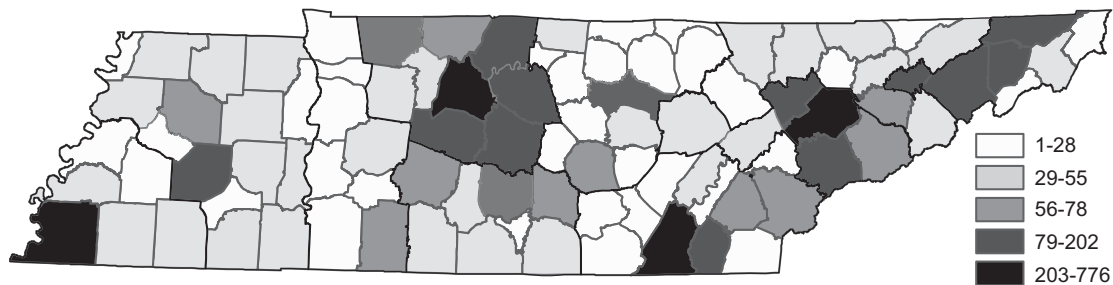
2.2. Recent Trends in the Tennessee Manufacturing Sector, continued

Figure 2.2. Manufacturing Employment as a Percentage of Total Private Employment, 2003



Source: Tennessee Department of Labor and Workforce Development, *2003 Covered Employment and Wages in Tennessee*.

Figure 2.3. Manufacturing Establishments per County, 2003



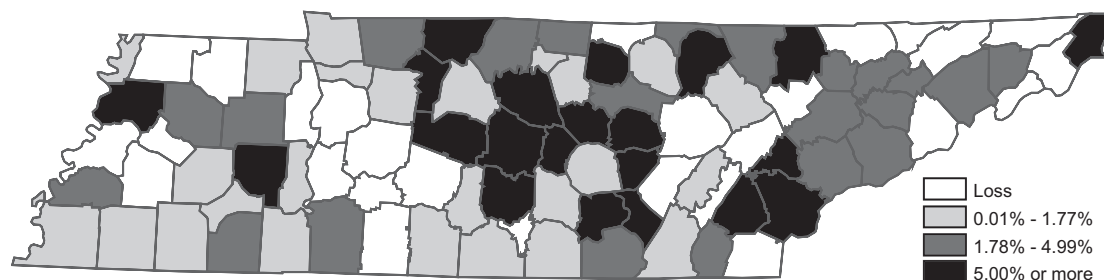
Source: U.S. Census Bureau, *County Business Patterns*.

2.3. The Current Economic Environment

Following setbacks in 2001, 2002 and 2003, job growth returned to the black in 2004 with a gain of over 1.4 percent, with growth slowing to 1.0 percent in 2005. Job growth for the national economy totaled 1.1 percent in 2004 and accelerated to 1.6 percent in 2005. Job losses in the state's manufacturing sector slowed to 0.4 percent in 2004 and slowed further to 0.1 percent in 2005; job losses in manufacturing for the national economy in 2004 and 2005 were 1.2 percent and 0.3 percent. Some of the strongest rates of growth have been in the various service sectors, but even in services, the rates of growth in Tennessee are modest by longer-term historical standards. For example, professional and business services were up only 1.2 percent in 2005, on the heels of a 4.9 percent jump in the previous year. While this sector shed jobs between 2000 and 2003, prior year growth rates were about as good if not better than the performance of 2004. The job gain in construction was 1.7 percent in 2004 and 2.0 percent in 2005, seemingly small in light of anecdotal evidence of strong construction activity across much of the state.

Job growth by county for 2004 (the most recent year for which annual data are available) is shown in Figure 2.4. Twenty-seven counties actually experienced job losses despite rather strong statewide job growth. While most of these counties are rural, there are exceptions, including Carter and Unicoi Counties within the Johnson City metropolitan statistical area (MSA) and Hawkins and Sullivan Counties within the Kingsport-Bristol MSA. Anderson County, part of the Knoxville MSA, also experienced job losses. At the same time, 21 counties saw jobs expand at a 5.0 percent rate or better, which is several percentage points ahead of state and national job growth. Hancock County saw the largest percentage decline at 12.9 percent, while Jackson County enjoyed the largest percentage gain at 13.7 percent.

Figure 2.4. Job Growth, 2003 to 2004



Source: Bureau of Labor Statistics.

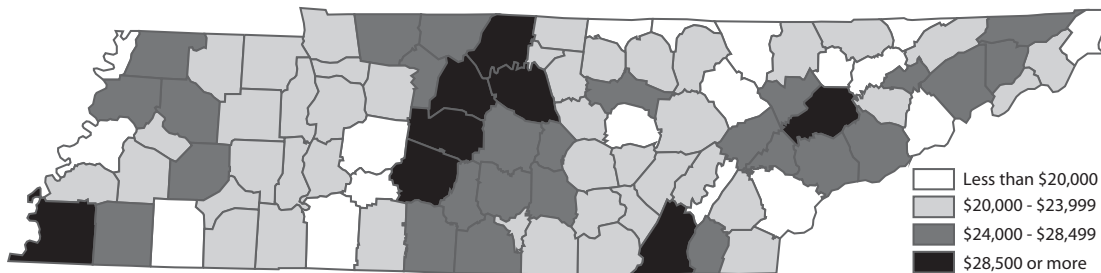
2.3. The Current Economic Environment, continued

The state unemployment rate rose steadily on the heels of the recession in 2001, finally reaching 5.5 percent in 2003 and then falling slightly to 5.4 percent in the following year. While both the U.S. and Tennessee enjoyed remarkably low unemployment rates of 4.0 percent in 2000, the U.S. unemployment rate rose more rapidly reaching 6.0 percent in 2003 and then dropping to 5.5 percent in 2004. The U.S. rate dipped further to 5.1 percent in 2005 at the same time the Tennessee rate moved up to 5.6 percent. The state labor force and the number of employed people have grown very slowly following outright contractions in 2001. The number of unemployed people fell 2.9 percent in 2004 but rose 4.7 percent in 2005. The labor force participation rate stood at 61.9 percent in 2005, the lowest rate in recent history.

Tennessee's income growth, like other measures of economic activity, was hit hard by the recession and the initially anemic expansion in its aftermath. But nominal income did rebound nicely in 2004 with growth of nearly 6.0 percent, comparable to the rate of growth for the national economy. Tennessee personal income gained further ground in 2005 advancing 5.7 percent while income for the nation was up 5.4 percent. Proprietors' income has done exceptionally well, enjoying growth of 9.2 percent in 2004 and 7.9 percent in 2005. Transfer payments—which include welfare and social security payments—grew 6.4 percent in 2004 and 6.3 percent in 2005.

Tennessee nominal per capita income stood at \$31,127 in 2005 which was 90.3 percent of national per capita income (\$34,484). Figure 2.5 provides an illustration of nominal per capita income levels for counties in the state for 2003. As can be seen from the figure, there are wide disparities across counties in the level of per capita income. Williamson County leads the state with per capita income of \$41,717, which is 47.0 percent above the

Figure 2.5. Per Capita Personal Income, 2003



Source: Bureau of Economic Analysis.

2.3. The Current Economic Environment, continued

statewide average and 35.6 percent above the national average. Fewer than 10 counties have per capita income above the state average, and all of these are located in MSAs. Eighteen counties have per capita income that is less than \$20,000. Hancock County has the lowest per capita income in the state, totaling only \$14,610 in 2003. This is just over one-half of the statewide average and only 46.4 percent of the national average. There is a very strong positive correlation between the educational attainment of the workforce and county per capita income.

Nominal taxable sales, like many other barometers of economic activity, returned with strong growth in 2004. The 5.1 percent gain was welcome news after growth of only 3.4 percent in 2003 and weaker growth of 0.4 percent in 2002. (Adjusted for inflation, taxable sales actually contracted in 2001 and 2002.) Growth in 2005 improved further to 6.7 percent, in turn helping to shore up state government finances. Automobile dealer sales have been relatively weak largely because of the substantial volume of sales in 2003 that satisfied much of the short-run hunger for new vehicles. Food store sales and transportation and communication sales have also displayed anemic growth. On the other hand, purchases from manufacturers and miscellaneous nondurable goods showed double digit growth in 2005.

2.4. Short-Term Outlook

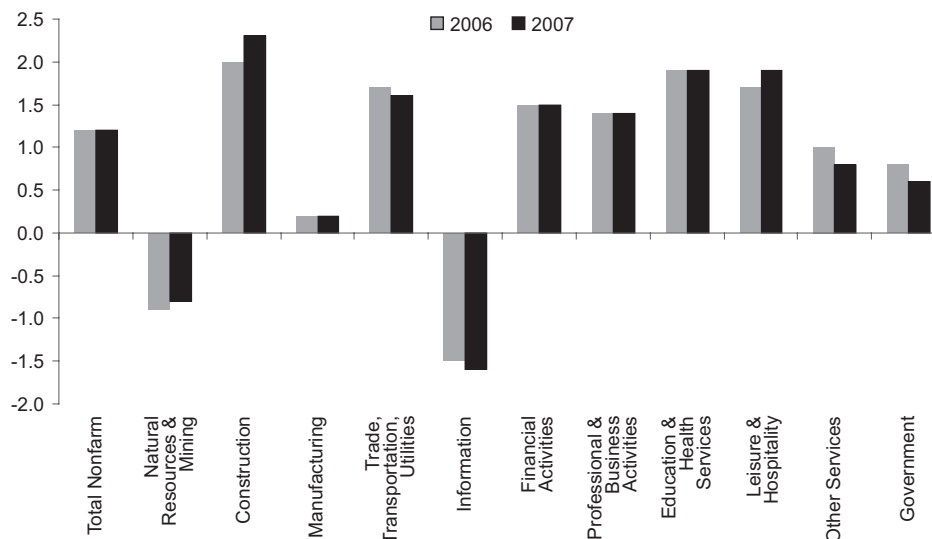
Last year at this time the momentum that was established in 2004 was expected to lead to some acceleration in growth for the Tennessee economy in 2005. That stronger growth did not in fact materialize. A year ago, job growth for 2005 was projected to be 1.5 percent, while growth for 2005 is now expected to tally only 1.0 percent. Similarly, the unemployment rate for 2005 was projected last year to be 4.9 percent. In part due to revisions in the methodology for calculating unemployment rates, it is now anticipated that the state rate will average 5.6 percent for 2005. Personal income, on the other hand, is now projected to close out 2005 with somewhat stronger growth than previously anticipated. The improved outlook for personal income is due to improved average wage and salary growth and stronger growth in proprietor's income.

The state economy will enjoy sustained growth into 2008, barring some unforeseen shock that derails the path of the national economy. Tennessee's pace of job creation will trail the nation through 2007 and then gain some momentum and surpass the national economy in 2008. Personal income growth in Tennessee will lag the nation through the short-term forecast horizon, but by a narrow margin. The state's manufacturing sector should see small job gains through 2008 as growth in durable goods offsets contraction in the nondurable goods sector. The national economy, on the other hand, is expected to see job losses in manufacturing for the foreseeable future. Table 2.1 provides a synopsis of the state and national economic outlook, while Appendix A provides more detail on the state's economic outlook.

The State Labor Market

Nonfarm job growth in Tennessee is projected at 1.2 percent for 2006 and 2007 and 1.3 percent for 2008. The national economy is expected to see job growth of 1.5 and 1.4 percent in 2006 and 2007. Estimated Tennessee job growth by sector for 2006 and 2007 is illustrated in Figure 2.6. Construction will see job gains of over 2 percent in both this year and 2007. The service sectors are expected to experience modest

Figure 2.6. Tennessee Job Growth by Sector, 2006 and 2007



Source: Center for Business and Economic Research.

2.4. Short-Term Outlook, continued

Table 2.1. Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	December 2005														
	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
US GDP (Bil2000\$) SAAR.....	11089.2	11202.3	11288.7	11395.2	11483.2	11574.1	11654.1	11721.5	11799.3	11876.8	11961.1	12044.0	11144.9	11526.6	11839.7
% Chg Prev Qtr SAAR.....	3.31	4.14	3.12	3.83	3.13	3.20	2.79	2.33	2.68	2.65	2.87	2.80	3.62	3.43	2.72
% Chg Same Qtr Last Yr.....	3.60	3.64	3.59	3.60	3.55	3.32	3.24	2.86	2.75	2.62	2.63	2.75	3.62	3.43	2.72
US GDP (Bil\$) SAAR.....	12378.0	12605.7	12772.1	12987.3	13165.2	13328.4	13488.9	13635.7	13794.7	13952.7	14124.4	14304.7	12488.7	13242.4	13876.9
% Chg Prev Qtr SAAR.....	6.01	7.56	5.39	6.91	5.59	5.05	4.91	4.42	4.75	4.66	5.01	5.21	6.43	6.04	4.79
% Chg Same Qtr Last Yr.....	6.10	6.66	6.48	6.46	6.36	5.73	5.61	4.99	4.78	4.68	4.71	4.91	6.43	6.04	4.79
CHAINED PRICE INDEX, GDP (2000=100.0).....	111.7	112.6	113.1	114.0	114.6	115.2	115.7	116.3	116.9	117.5	118.1	118.8	112.1	114.9	117.2
% Chg Prev Qtr SAAR.....	2.57	3.31	2.05	2.97	2.39	1.79	2.06	2.04	2.01	1.96	2.08	2.34	2.73	2.50	2.02
% Chg Same Qtr Last Yr.....	2.46	2.92	2.75	2.72	2.68	2.30	2.30	2.07	1.97	2.02	2.02	2.10	2.73	2.50	2.02
US PERS CONSUMP DEFL (2000=100.0).....	110.8	111.8	112.6	113.1	113.6	114.1	114.7	115.3	115.9	116.5	117.1	117.7	111.3	113.9	116.2
% Chg Prev Qtr SAAR.....	3.30	3.71	2.73	1.82	1.76	1.81	2.14	1.92	2.13	2.08	2.18	2.15	2.83	2.32	2.01
% Chg Same Qtr Last Yr.....	2.54	3.10	3.00	2.89	2.50	2.03	1.88	1.91	2.00	2.07	2.08	2.13	2.83	2.32	2.01
TN PERSONAL INCOME (MIL2000\$) SAAR.....	167042	166610	168934	169873	171991	173153	175412	176608	178285	179570	181892	183096	167070	172607	179089
% Chg Prev Qtr SAAR.....	3.29	-1.03	5.70	2.24	5.08	2.73	5.32	2.76	3.85	2.91	5.27	2.67	2.83	3.31	3.76
% Chg Same Qtr Last Yr.....	3.62	2.16	2.07	2.52	2.96	3.93	3.83	3.96	3.66	3.71	3.69	3.67	2.83	3.31	3.76
US PERSONAL INCOME (BIL2000\$) SAAR.....	9190	9147	9279	9370	9475	9585	9673	9761	9842	9920	10001	10094	9195	9526	9881
% Chg Prev Qtr SAAR.....	1.19	-1.85	5.90	3.95	4.58	4.74	3.70	3.68	3.36	3.23	3.29	3.78	2.48	3.60	3.73
% Chg Same Qtr Last Yr.....	3.32	2.00	1.20	2.26	3.10	4.79	4.24	4.17	3.87	3.49	3.39	3.41	2.48	3.60	3.73
TN PERSONAL INCOME (MIL\$) SAAR.....	185136	186293	189899	191953	195118	197117	200523	202707	205562	207982	211678	214214	185872	196178	206982
% Chg Prev Qtr SAAR.....	6.70	2.52	7.97	4.40	6.76	4.16	7.09	4.43	5.75	4.79	7.30	4.88	5.68	5.54	5.51
% Chg Same Qtr Last Yr.....	6.25	5.30	4.95	5.38	5.39	5.81	5.59	5.60	5.35	5.51	5.56	5.68	5.68	5.54	5.51
US PERSONAL INCOME (BIL\$) SAAR.....	10186	10231	10449	10598	10764	10939	11097	11251	11404	11554	11711	11883	10235	10850	11480
% Chg Prev Qtr SAAR.....	4.53	1.79	8.79	5.85	6.42	6.64	5.92	5.67	5.56	5.37	5.54	6.01	5.37	6.01	5.81
% Chg Same Qtr Last Yr.....	5.94	5.16	4.23	5.21	5.68	6.92	6.21	6.16	5.95	5.63	5.53	5.62	5.37	6.01	5.81
TN NONFARM JOBS (THOUS).....	2720.9	2725.6	2739.6	2748.9	2757.1	2764.6	2774.1	2782.4	2791.1	2799.4	2807.8	2816.6	2727.2	2761.2	2795.2
% Chg Prev Qtr SAAR.....	-0.29	0.70	2.08	1.36	1.20	1.09	1.38	1.20	1.25	1.19	1.21	1.27	0.97	1.24	1.23
% Chg Same Qtr Last Yr.....	0.82	0.91	1.00	0.96	1.33	1.43	1.26	1.22	1.23	1.26	1.21	1.23	0.97	1.24	1.23
US NONFARM JOBS (MIL).....	133.4	134.0	134.3	134.8	135.4	135.9	136.5	136.9	137.4	137.8	138.2	138.5	133.6	135.6	137.6
% Chg Prev Qtr SAAR.....	1.87	1.63	0.95	1.66	1.59	1.57	1.71	1.37	1.28	1.16	1.12	1.07	1.64	1.51	1.41
% Chg Same Qtr Last Yr.....	1.60	1.70	1.50	1.53	1.46	1.44	1.63	1.56	1.48	1.38	1.23	1.16	1.64	1.51	1.41
TN UNEMPLOYMENT RATE (%).....	6.0	5.3	5.3	5.3	5.2	5.3	5.3	5.3	5.2	5.2	5.2	5.3	5.6	5.3	5.3
US UNEMPLOYMENT RATE (%).....	5.1	5.0	5.0	4.9	4.8	4.8	4.8	4.9	4.9	5.0	5.0	5.0	5.1	4.8	4.9
BANK PRIME INTEREST RATE (%).....	5.9	6.4	7.0	7.4	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	6.2	7.7	7.8
TN MFG JOBS (THOUS).....	411.7	410.6	410.3	411.6	412.2	411.9	411.4	412.0	412.5	413.0	413.5	413.7	411.1	411.8	412.8
% Chg Prev Qtr SAAR.....	-0.05	-1.00	-0.31	1.27	0.62	-0.28	-0.57	0.61	0.53	0.50	0.49	0.12	-0.10	0.17	0.24
% Chg Same Qtr Last Yr.....	-0.07	-0.27	-0.43	-0.03	0.14	0.32	0.26	0.09	0.07	0.27	0.53	0.41	-0.10	0.17	0.24
US MFG JOBS (MIL).....	14.3	14.3	14.3	14.3	14.3	14.2	14.1	14.1	14.1	14.1	14.1	14.0	14.3	14.2	14.1
% Chg Prev Qtr SAAR.....	-0.61	-0.96	0.34	1.30	-0.60	-2.78	-1.30	-0.16	-1.30	-0.68	-0.55	-0.39	-0.31	-0.32	-1.04
% Chg Same Qtr Last Yr.....	-0.32	-0.66	-0.48	0.01	0.02	-0.45	-0.85	-1.21	-1.39	-0.86	-0.67	-0.73	-0.31	-0.32	-1.04
TN TAXABLE SALES (MIL2000\$).....	19371	19526	19734	19718	20011	20149	20374	20553	20706	20838	21034	21210	77973	80253	83130
% Chg Prev Qtr SAAR.....	0.60	3.25	4.32	-0.32	6.07	2.80	4.54	3.55	3.01	2.58	3.83	3.38	3.77	2.92	3.59
% Chg Same Qtr Last Yr.....	3.84	4.00	4.32	1.95	3.31	3.19	3.24	4.23	3.47	3.42	3.24	3.20	3.77	2.92	3.59
TN TAXABLE SALES (MIL\$).....	21469	21833	22183	22281	22702	22938	23291	23590	23874	24135	24479	24815	86749	91212	96077
% Chg Prev Qtr SAAR.....	3.92	6.96	6.57	1.78	7.77	4.23	6.30	5.23	4.90	4.45	5.82	5.60	6.65	5.15	5.33
% Chg Same Qtr Last Yr.....	6.47	7.19	7.26	4.79	5.74	5.06	4.99	5.87	5.16	5.22	5.10	5.19	6.65	5.15	5.33
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	33560	33455	33429	33633	33893	34141	34338	34491	34619	34770	34960	35097	33470	34001	34710
% Chg Prev Qtr SAAR.....	1.48	-1.25	-0.31	2.47	3.13	2.95	2.33	1.79	1.50	1.76	2.21	1.57	1.71	1.59	2.08
% Chg Same Qtr Last Yr.....	3.14	0.85	-0.24	0.59	0.99	2.05	2.72	2.55	2.14	1.84	1.81	1.76	1.71	1.59	2.08
TN AVG ANNUAL WAGE, NONFARM (\$).....	37196	37408	37578	38005	38451	38866	39253	39588	39916	40272	40685	41062	37235	38644	40115
% Chg Prev Qtr SAAR.....	4.83	2.30	1.83	4.63	4.78	4.39	4.05	3.45	3.36	3.61	4.17	3.75	4.52	3.78	3.81
% Chg Same Qtr Last Yr.....	5.75	3.95	2.58	3.39	3.37	3.90	4.46	4.16	3.81	3.62	3.65	3.72	4.52	3.78	3.81

Center for Business and Economic Research, University of Tennessee

Tennessee Econometric Model

2.4. Short-Term Outlook, continued

acceleration over the near term, although rates of growth are not expected to return to the strong rates that prevailed in the 1990s. Professional services, which accounted for 11.2 percent of all nonfarm jobs in 2005, is projected to add 4,400 jobs in 2006 and an additional 4,300 jobs in 2007. Education and health services, which contributed almost 12 percent of all state jobs in 2005, will add 6,100 workers to the payroll in 2006 and 6,300 workers in 2007. The natural resource and mining, nondurable goods, information services and federal government sectors will all witness job losses. On net the state economy is expected to add 34,000 jobs in 2006 and another 34,000 jobs in 2007.

The state's manufacturing sector is expected to eke out job gains of 0.2 percent in both 2006 and 2007. The nation's manufacturing sector, on the other hand, will contract at a 0.3 percent rate in 2006 and decline a further 1.0 percent in 2007. The state's superior performance can be attributed to a smaller nondurable goods sector that places less drag on overall manufacturing and the continued migration of national manufacturing jobs to the state. Manufacturing jobs in Tennessee's durable goods sector will enjoy a 1.0 percent gain in 2006 as 2,600 new jobs are added to payrolls. Only the computer and electronics subsector is projected to witness job losses within the durable goods sector (a 1.5 percent decline), but the rate of loss will be an improvement over the 3.2 percent setback in 2005. Transportation equipment, which accounted for almost one-in-four jobs in durable goods manufacturing in 2005, will see 1.5 percent job growth in 2006. More jobs will be added in the transportation equipment subsector (900) than in any other part of durable goods manufacturing.

Nondurable goods manufacturing, on the other hand, will see jobs decay at a 1.2 percent rate in 2006 as 1,800 jobs are eliminated. The beverage and tobacco, textile product mills and plastic and rubber subsectors will see modest job growth while all other broad subsectors contract. Food production, which accounted for the largest share of jobs in nondurable goods manufacturing in 2005 (22.4 percent), will see small job losses in 2006.

Tennessee's unemployment rate should fall from 5.6 percent in 2005 to 5.3 percent in 2006 and remain at that level in the following year. The unemployment rate for the national economy is expected to average 4.8 percent in 2006 and 4.9 percent in 2007. The labor force and the number of employed people will continue to grow slowly throughout the short-term forecast horizon, consistent with short-term historical trends. The labor force participation rate will drift downward, a pattern that is consistent with forecasts for the national economy.

2.4. Short-Term Outlook, continued

Income and Taxable Sales

Nominal personal income in Tennessee should grow 5.5 percent in 2006, slightly behind the pace of 2005 (5.7 percent) and below the rate of growth of personal income for the nation (6.0 percent). Tennessee's growth for 2007 is also projected at 5.5 percent, while the nation's growth rate should cool off a bit to 5.8 percent. On a fiscal year basis, personal income for the state economy will rise 5.3 in 2005/06 and improve to 5.6 percent growth in 2006/07.

Total wage and salary growth in Tennessee will slow some in 2006 as a decline in the average wage dominates an improved employment outlook. Income growth will be led by proprietors' income which will enjoy a gain of 7.9 percent in 2006. Rent, interest and dividend income growth will improve steadily over the forecast horizon, rebounding from its poor 1.4 percent growth rate in 2005.

Nominal per capita personal income in Tennessee should rise 4.6 percent in 2006, the same rate of growth that transpired in 2005. The national economy is expected to perform somewhat better than the state in 2006 and 2007, translating into a growing disparity in per capita income. By 2008, Tennessee's per capita income is projected to be \$35,690, which is 89.6 percent of U.S. per capita personal income.

Taxable sales growth will slow to 5.2 percent in 2006 from the 6.7 percent rate of growth in 2005. Growth for 2007 will be slightly better at 5.4 percent. On a fiscal year basis, taxable sales will expand 6.2 percent in the current year and 5.3 percent in 2006/07. Growth in purchases from manufacturers and miscellaneous durable goods will slow from their rapid pace of expansion in 2005 but will nonetheless enjoy healthy growth in the quarters ahead. Automobile dealer sales will pick up steam through 2006 and stabilize with growth in the 5 percent range by 2007.

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee

Tennessee Farms

There was a time when the vast majority of Tennesseans were farmers and the generic picture of agriculture in the state presented below would have been a waste of space. While we are all still dependent on agriculture to supply one of our basic necessities for life, most Tennesseans are now several generations removed from the farm.

Tennessee still has lots of farms: more than 85,000 spread across all 95 counties. In fact, only three states—Texas, Missouri, and Iowa—have more farms than Tennessee. In an average year, these farms produce more than \$2 billion in farm cash receipts, excluding forest products income which adds another \$370 million in sales. About 44 percent of the 26.4 million acres in the state is farmland. As seen in Figure 2.7, Tennessee's farms are most heavily concentrated in the central and northeastern parts of the state.

But those regions aren't necessarily the most intensively farmed in the state. A different spatial picture of farming in Tennessee emerges when we incorporate the land area farmed with the number of farms. Figure 2.8 shows geographically the average farm size for Tennessee counties. Across the state, the average farm size is 136 acres, although clearly farms in the western portion of the state are the largest and farm size declines steadily as you move east.

Figure 2.7. Number of Farms

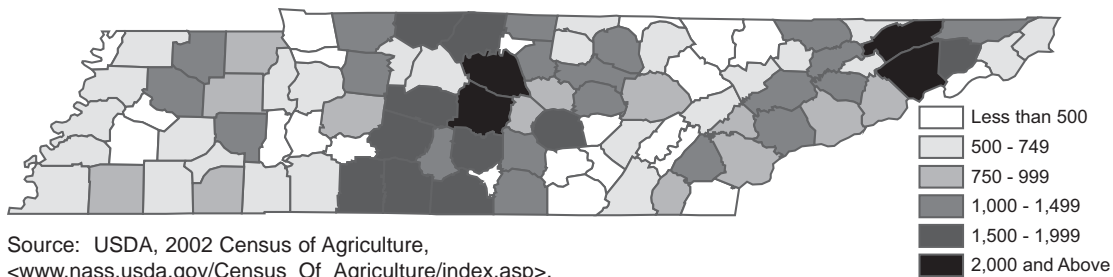
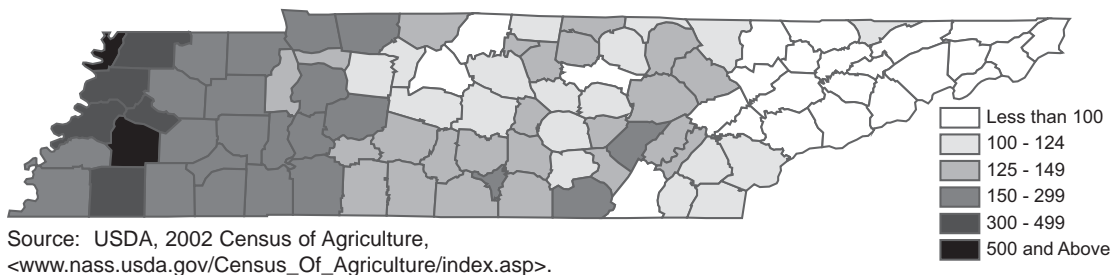


Figure 2.8. Average Farm Size (Acres)



2.5. Situation and Outlook for Tennessee Agriculture, continued

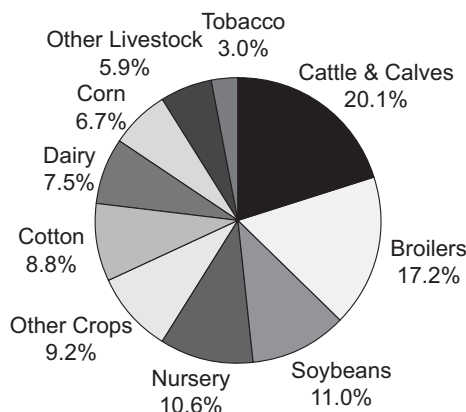
Agricultural Products in Tennessee

Agriculture in Tennessee is very diverse. Tennessee's top agricultural commodities include cattle and calves, broilers, soybeans, greenhouse/nursery, cotton, dairy products, corn, tobacco, wheat, hogs, tomatoes, hay, eggs, snap beans, grain sorghum, apples, squash, peaches, poultry, and sheep and lambs. In 2004, all agricultural commodities in Tennessee generated more than \$2.5 billion in cash receipts, with nearly equal portions from crops and livestock products.

Figure 2.9 shows the relative share of cash receipts by commodity. More than one in every three dollars in market receipts in Tennessee is from cattle and calves (\$514 million) or broilers (\$440 million). Following a record year in 2003, cotton receipts were down considerably in 2004, but still contributed a quarter of a billion dollars, just behind soybeans (\$283 million) and nursery (\$273 million). Tobacco income in Tennessee has fallen dramatically over the last several years, falling from a leading cash crop generating nearly a quarter of a billion dollars annually in receipts to \$76 million in 2004. Tennessee ranks second among all states in production of equine and meat goats and fourth in production of tobacco, fresh market tomatoes, and snap beans.

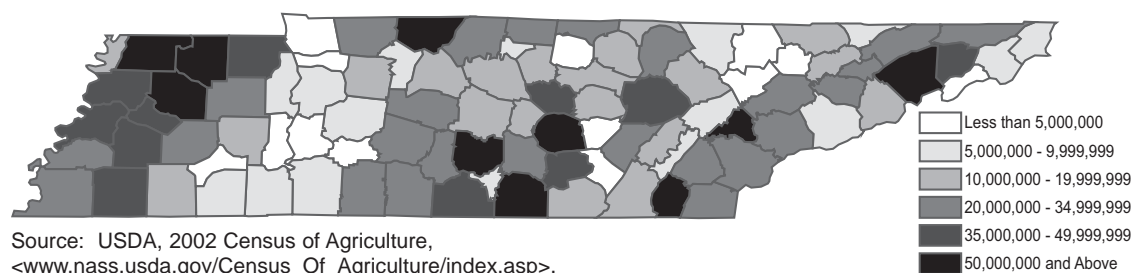
Looking across the state, Figure 2.10 shows the market value of agricultural product sales for each county. Counties with the lightest shading generated less than \$5 million in agricultural sales while counties with the darkest shading generated more than \$50 million in agricultural product sales.

Figure 2.9. Leading Tennessee Commodities for Cash Receipts, 2004



Source: Tennessee Agriculture 2005, Tennessee Agricultural Statistics Service.

Figure 2.10. Market Value of Agricultural Product Sales



2.5. Situation and Outlook for Tennessee Agriculture, continued

Of the \$2.5 billion in agricultural product sales in 2004, more than one third was destined for the export market. Tennessee's agricultural product exports were valued at \$861 million, a 32 percent increase over the previous year. More than a quarter of all of the state's agricultural exports are from cotton, followed by exports of soybeans, wheat, and tobacco.

Geographic Diversity of Farming in Tennessee

Recognizing that no two farms are alike, it is instructive to describe a 'typical' farm in various parts of the state, moving from west to east. Farming is generally the full-time occupation of the typical farmer in the upper Mississippi Delta region of our western border, where the farmer probably owns about 500 acres of farmland, and cash rents another thousand acres or so, for a total farming operation around 1,500 acres. The farmer probably grows mostly corn and soybeans, perhaps also wheat or grain sorghum (milo), selling his crops at local or regional elevators, where much of the harvest will make its way to the Mississippi River system for transport. Hunting leases may also be a significant portion of the farmer's revenue stream, along with hogs in Henry, Weakley, and Gibson counties. The farm operator has significant investments in his farming operation, owning large combines and tractors and other expensive farm machinery, in addition to considerable debt for land and operating expenses. This farmer probably earns around \$20,000 in net farm income in an average year.

Just south of this region, from about Jackson to the western border, farms generally look much the same, except that cotton comprises a significant portion of farming operations and revenues. Tennessee ranks 7th among all states in cotton production, generating between \$200 and \$300 million in cotton sales annually, depending on prices and yields.

Moving eastward, farms become not only smaller, but more diverse, and more difficult to describe by generalizations. In addition to growing major row crops (corn, soybeans, wheat), farms also have significant hay and livestock operations, primarily cattle and calves. Several of the north central border states are major tobacco producing counties, especially Robertson, Macon, and Montgomery counties. Moving south to the mid central counties in the state, the equine industry gains significant importance. Tennessee ranks second in the U.S. for number of equine on farms (following Kentucky). The majority of the state's equine industry is produced in Rutherford, Wilson, Williamson, Bedford, and Marshall counties. The value of Tennessee's equine inventory is estimated at \$565 million, with annual sales of more than \$57 million. Broilers are the state's second leading commodity, with annual production valued at \$440 million. The southern border of the state, from the central portion eastward, is a major focus for poultry operations, led by Bedford and Bradley counties. Continued growth is projected for the state's broiler industry. Cattle and hay enterprises are also an important part of agriculture in this region of the state.

Moving eastward toward the central and southern Plateau portion of the state, nursery, greenhouse, floriculture, and sod—collectively, the 'green' industry—become major components of the agricultural sector. The state's green industry has grown steadily over recent years, now ranked as the second leading cash crop in the state. The majority of the green production in Tennessee is destined for the wholesale market, led by deciduous shade and flowering trees. Tennessee's green industry is projected to remain strong as the housing and landscaping markets are projected to continue their robust growth.

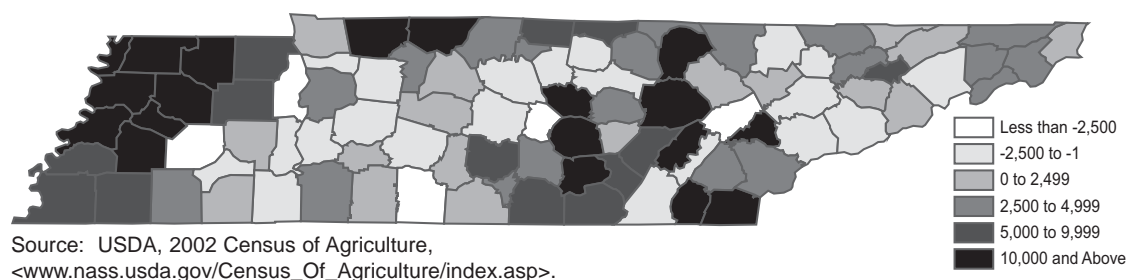
2.5. Situation and Outlook for Tennessee Agriculture, continued

Moving to the easternmost portions of the state, agriculture is characterized by small farms, many with part-time operators. While Tennessee has nearly 50,000 cattle operations, the most significant concentration of cattle farms is in the eastern part of the state, along with significant hay production. Production is increasing in the eastern region for fresh market vegetables, notably tomatoes and snap beans, which generated \$42 and \$12 million, respectively, last year. Although far below historical levels, burley tobacco production remains important for many small farms in the east. Greene County leads the state in both milk production and all cattle production. The number of dairy farms in the state continues to decline steadily, especially in eastern counties, but remains an important part of agriculture in small clusters around the northeast, southeast, and south central parts of the state.

Farm Income

Net farm dropped slightly in 2004 to \$458 million, following a dramatic 133 percent increase in 2003 from \$201 to \$469 million. This performance in 2004 was slightly above the 5-year average, but slightly below the 10-year average. The strong income showing is due to a combination of higher prices for major crop and livestock commodities, generally high yields, and some additional subsidies (countercyclical payments). The USDA estimates that farm income for 2005 will be much lower than the 2004 levels. Using the most recent Agricultural Census data, Figure 2.11 shows the average net cash farm income (NCFI) for Tennessee farms by county. Larger grain, soybean, and cotton farms in the far western parts of the state generally report NCFI above \$10,000. But it is important to note that 26 of Tennessee's 95 counties report *negative* average NCFI per farm. Of the farm income reported in 2004 in Tennessee, \$153 million was in the form of direct government payments, mostly to farmers of program crops (cotton, corn, soybeans, wheat) to compensate for low market prices.

Figure 2.11. Net Cash Farm Income, Average Per Farm



2.5. Situation and Outlook for Tennessee Agriculture, continued

Tennessee Agricultural Sector Outlook

Despite weather and market uncertainties and unprecedented fuel and fertilizer prices post-Katrina, 2005 was another good year for Tennessee agriculture. Production levels were strong and livestock prices were favorable. Crop prices remained low, although poor market returns were offset somewhat by government commodity payments. The net effect appears to be healthy farm gate income in 2005, although likely lower than 2004. Absent abnormal weather patterns or other unexpected events, farm income in 2006 is projected to decline somewhat, with persistently low crop prices and declining cattle prices. While Asian soybean rust remains a potential threat, vigilance and preventive spraying are expected to minimize crop damage in 2006. A bigger threat to farm profitability is rising costs of production, especially higher fuel and fertilizer prices. Rising interest rates and steadily rising cropland values and cash rents are also pressuring profitability and will likely contribute to lower overall farm sector income in 2006. Tobacco farmers and quota owners entered into buyout compensation contracts in 2005, with Tennessee's contracts valued at more than \$700 million over 10 years. Following the termination of the federal tobacco program, some of the traditional tobacco counties may face the prospects of significant declines in net farm income in the future as many of those tobacco farmers are choosing to get out of agriculture or have few alternatives for offsetting the decline in tobacco income.

Crops Outlook

Soybean production in Tennessee in 2005 was down 14 percent from the previous year. While yields were good (38 bushels per acre), they were down from recent record levels. Most of the production decline is from reduced acreage planted, likely affected by the pre-plant threat of soybean rust. Wheat yields tied the state record in 2005, at 56 bushels per acre. Cotton production for 2005 is projected to set a new state record, forecast at 1.14 million bales, spurred by a 21 percent increase in harvested acreage. Cotton yields were very strong, although down 38 pounds from the record yield set in 2004. Hay yields are projected to be at a record level for the second consecutive year, although reductions in harvested acreage will push production down about 3 percent. Tennessee corn production is forecast at 76.7 million bushels, down 11 percent from the previous year but higher than earlier expected. Burley tobacco production in Tennessee is projected to decline by 30 percent in 2005, due to dramatic acreage reductions—to the lowest level recorded—in the first crop year without the government price support and supply control program, coupled with slightly lower yields.

A concern heading into 2006 is higher overall levels of stock for corn, soybeans, wheat, and cotton. If current USDA projections hold, excess inventories could push down prices even further in 2006. If corn exports and ethanol demand live up to expectations, corn prices may increase somewhat above projected levels, but will still be below last year and recent levels. The price outlook for soybeans is heavily dependent on the production prospects in the southern hemisphere, particularly Brazil; current South American forecasts look promising and don't favor strength for U.S. prices.

2.5. Situation and Outlook for Tennessee Agriculture, continued

Despite a full year of tobacco production without any government safety net, uncertainty remains about tobacco's future in the state. Last year was an 'observing' year for many producers, still undecided about their long-term prospects as tobacco farmers. Expectations are for another noticeable exit of burley growers in 2006. As burley tobacco production continues to concentrate in the north central region of the state, some remaining growers will likely begin to expand their production. Given current contract prices offered, burley tobacco farmers will need to significantly improve yield averages (while increasing their emphasis on crop quality) to remain profitable. Demand for dark tobacco remains robust. Strong demand prospects, along with proportionately smaller post-buyout contract price cuts, lead to expectations for continued growth in dark tobacco production in Middle Tennessee.

Livestock Outlook

In general, 2005 has been a profitable year for much of the livestock industry. After high cattle prices in 2004, feeder cattle prices moved even higher in 2005, despite modest production expansion. In late December 2005, Japan and Hong Kong agreed to reopen their borders to accept U.S. beef, ending a two-year ban implemented after the U.S. confirmed its first case of BSE. Exports to these countries are likely to be recaptured slowly over the next several years. Expectations for export demand growth are tempered somewhat by the July 2005 reopening of the U.S. border to beef imports from Canada, the first since BSE was detected in 2003. While Canadian imports have been below expectations thus far, strong U.S. prices are expected to ramp up imports from both Canada and Mexico.

In 2005, wholesale broiler prices were above average, but below 2004's high levels. While U.S. broiler exports benefited from the Asian beef ban, the reopening of import borders will negatively affect broiler export demand and prices. Overall, lower price expectations will likely scale back broiler production growth in 2006, although the broiler industry in Tennessee is expected to remain strong and continue to expand. Hog prices dropped slightly in 2005, but remained at profitable levels. Modest production increases are projected for 2006, along with modest price declines. Milk production is projected to increase in 2006 (a result of both more milk cows in production and more milk per cow), putting downward pressure on milk prices. The strength of demand will determine how far prices decline, after performing strong in 2005, but not as strong as 2004.

Improving the outlook for livestock, feed prices are projected to remain low, holding down costs of production and preserving profitability. The prospects for increased supplies of dried distillers grains and soybean meal—both by-products of producing ethanol from corn and biodiesel from soybeans—may further reduce feed cost pressure for livestock operations.

2.5. Situation and Outlook for Tennessee Agriculture, continued

Agricultural Sector Issues and Opportunities

Agricultural Revitalization Investment

In 2005, the General Assembly made a special non-recurring \$5 million investment to help revitalize and develop Tennessee's agricultural industry in several key areas. Three priorities were selected as the focus for the one-time investment. First, a portion of the investment is being used to help fully integrate Tennessee into the National Animal Identification System (NAIS), which enables 48-hour trace back of any diseased or exposed livestock and is critical in the management and prevention of potential biobased threats such as mad cow, avian flu or bioterrorism events. Second, a portion of the investment is directed to a beef cattle genetic improvement program, important to the state since cattle represent the largest contributor to farm income and have the greatest opportunity for increasing farm income. The third focus is on expansion of agricultural development and diversification in the state through agritourism, specialty crops, organic production, value-added production, and other innovative farm enterprises.

It is important to note, however, that Tennessee lags far behind several neighboring states in agricultural and rural economic development investments. Following the Tobacco Master Settlement Agreement (MSA) in 1998, Kentucky, North Carolina, Virginia, Georgia, and South Carolina all dedicated a portion of their settlement proceeds to agricultural and rural economic development and revitalization, in various forms and amounts.

Since 1999, the Kentucky Agricultural Development Board has invested more than \$190 million in Kentucky's agricultural infrastructure. The board has awarded hundreds of grants (ranging from small amounts to millions of dollars) to beef cattle improvement projects, fruit and vegetable production, agritourism, biofuel production, farmers' markets, capital access projects, and many other enterprises and farm diversification and development activities. In North Carolina, the Golden LEAF Foundation has made 350 grants totaling nearly \$117 million over five years to fund economic, agribusiness, and rural community development projects, education programs, and farm diversification and development projects. Similarly, Virginia's Tobacco Indemnification and Community Revitalization Commission has invested more than \$389 million in Virginia's tobacco producing regions since 1999 for indemnification payments, economic development, agribusiness, education, technology and other agricultural and economic revitalization programs. Following Virginia's securitization of half of their remaining MSA funds in 2005, the Commission is positioned to continue their revitalization investments in tobacco producing regions (Southside and Southwest).

Tennessee's \$5 million investment in agricultural sector development in 2005 is certainly significant, however, it represents less than one percent of the agricultural sector investment funds dispersed just in Virginia, Kentucky, and North Carolina over the last five years.

2.5. Situation and Outlook for Tennessee Agriculture, continued

Further investments are needed to keep pace with changes and ensure the vitality of rural Tennessee and its farms.

Bioenergy

Bioenergy is the buzzword darling in many agriculture circles lately. And why not, given the potential benefits to the agricultural sector, rural communities, and society in general: expanded demand and markets for agricultural products like corn and soybeans (and, thus, higher prices); new demand for nontraditional dedicated energy crops (e.g., switchgrass); reduced dependence on foreign petroleum imports; new jobs and income opportunities in rural communities processing bioenergy; cleaner air benefits from cleaner-burning fuel and power sources.

Spurring agriculture's potential role as a producer and supplier of bioenergy, the new Energy Policy Act of 2005 includes a renewable fuels standard (RFS) for the U.S. The RFS mandates the use of 7.5 billion gallons of biofuels by 2012 and extends biodiesel tax credits and other renewable production tax credits. The RFS has been long sought by several prominent U.S. farm groups. With biofuel production (mostly ethanol) currently at about 4 billion gallons per year, the RFS basically doubles the demand for biofuels in 7 years.

Tennessee is poised to contribute, with several new initiatives underway specifically designed to foster the development of a viable bioenergy industry in the state and region. The University of Tennessee, Department of Agriculture, Department of Economic and Community Development, Tennessee Valley Authority, and Oak Ridge National Laboratory, in addition to other public and private organizations and institutions are ramping up to move bioenergy forward in the state and capture potential benefits, including significant agricultural sector benefits.

Future Farm Policy

Every farm bill is influenced disproportionately by the current economic and political conditions in the farm sector and the larger economy *at the time* the bill is written. That time is almost here. The current farm bill (set in place in 2002) is scheduled to expire in 2007 and 2006 will be a period of serious posturing and debate on the next round of farm legislation. Based on history, the most likely outcome for the 2007 Farm Bill is only modest changes from the 2002 Farm Bill. However, several forces are coalescing that could put enough pressure on the delicate farm policy balance to trigger more significant changes to the nation's farm policy. These include the large and growing federal budget deficit, negotiations and obligations under the World Trade Organization, and the public perception that farm programs are not achieving their objectives (or rather, widespread misperception about the real objectives and expectations of current farm policy).

The Tennessee Economy: Long-Term Outlook

In this chapter...

3.1. Introduction

3.2. Historical Trends

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Trends in the State's Manufacturing Sector
Tennessee's Growing Transportation
Equipment Sector
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Equipment Reveal?
Future of the Transportation Equipment Sector

3.3. Long-Term Economic Outlook

The State Labor Market
Personal Income and Taxable Sales
Gross State Product

3.4. Additional Reading on Manufacturing and Transportation Equipment

3.1. Introduction

The long-term economic outlook for Tennessee extends to 2015. A review of the forecast presented in this chapter and the tables in Appendix A shows that the economy is projected to expand throughout the forecast period. The short-term cyclical outlook is one of continued economic expansion dating back to the recession of 2001 and through 2008 as discussed in Chapter 2. In 2009, the economy will return to its long-term trend performance which is influenced by factors such as population and labor force growth, capital investment by private industry, infrastructure investments made by the state and so on. These long-term trends often differ markedly from the trends that take place in the short run over the ups and downs of the business cycle.

3.1. Introduction, continued

Between 1990 and 1995, Tennessee enjoyed one of the strongest patterns of growth of any state in the nation. But from 1995 up to today, state growth has not been nearly as vibrant when compared to the nation. This more recent performance is influential in driving the modest short-term outlook for the state. Tennessee's growth in 2009 and beyond is expected to benefit from the state's longer-term economic performance and to yield somewhat stronger rates of economic expansion relative to the nation as the economy reverts to trend. One of the important factors driving this anticipated improved pattern of expansion is growth in the working-age population. Over the near term, population growth for the nation is expected to outstrip population growth for Tennessee. But the nation's growth in the working-age population is expected to slow beginning in 2007, and, by 2011, the state's growth in the working-age population will once again outpace that of the nation. While the state may trail the nation by some measures of economic growth over the near term, the state economy will nonetheless enjoy a good pace of expansion. Over the long term, Tennessee should enjoy rates of growth that equal or surpass rates of growth for the nation.

The remainder of this chapter is organized in two major sections. The first section discusses long-term historical trends for the state economy. Within this section is a lengthy discussion of the state's manufacturing sector with particular focus on the rising importance of transportation equipment. This is timely in light of Nissan's recent announcement to move its headquarters to Tennessee, GM's announcement of plant cutbacks in Tennessee and other states, and GM's subsequent announcement to begin production of a hybrid vehicle at its Spring Hill plant. The second major section of the chapter presents the economic outlook extending through 2015.

3.2. Historical Trends

Performance of Key Economic Indicators

Per capita personal income is a commonly used measure of individual well being. In 1993, Tennessee nominal per capita personal income (\$19,441) was 91.2 percent of per capita personal income for the national economy (\$21,323). Some ground was gained in the next two years as Tennessee's relative standing peaked at 93.2 percent in 1995. After bottoming out at 87.8 percent in 2000, state per capita personal income relative to the nation has shown some improvement, rising to 90.3 percent in 2005. Tennessee's per capita personal income was \$31,127 and U.S. per capita personal income was \$34,484 in 2005, a difference of \$3,357.

A natural question arises as to how improvements in per capita personal income can be engineered. One important part of the recipe is education and training, both for wage and salary jobs and also for jobs requiring individual entrepreneurship like sole proprietorships. It is generally the case that individuals with higher levels of educational attainment—both formal years of schooling and experience on the job—earn higher incomes than others. Schools matter; student motivation matters; parental involvement matters; job experience matters. Another ingredient is the types of jobs and occupations being created by the economy. In practice, the job creation process of the economy depends on the education and skills of workers. Regions with a well-educated workforce are better able to attract quality jobs that support high earnings for workers.

Total personal income serves as one broad measure of overall economic activity for the state and the nation. The state's personal income totaled \$185.9 billion in 2005 representing 1.8 percent of national personal income. Tennessee's population represented a slightly larger share of the U.S. population in the same year (about 2.0 percent). Inflation-adjusted personal income in Tennessee advanced at a 3.1 percent compound annual growth rate (CAGR) between 1995 and 2005 versus a stronger 3.2 percent showing for the national economy.

Nominal taxable sales in Tennessee were \$86.7 billion in 2005, about 46.7 percent of total personal income. While the personal income of Tennessee residents is a primary source of purchasing power underlying taxable sales, businesses and nonresidents also make extensive sales-taxable purchases in the state. Many business purchases—including construction materials, office supplies and furnishings—are subject to the state sales and use tax. Nonresidents who visit Tennessee's tourism destinations also help boost taxable sales for the state and for local governments. Nominal taxable sales grew at a 4.1 percent CAGR between 1995 and 2005. Nominal personal income advanced at a stronger 5.1 percent CAGR over the same period. The relatively slow growth in taxable sales versus personal income is one of the reasons there is perennial pressure on the state budget since the demand for state government services is highly correlated with income growth.

In 2005, there were 2,727,227 nonfarm jobs in the state accounting for just over 2 percent of all nonfarm jobs in the national economy. Between 1995 and 2005, the state saw job

3.2. Historical Trends, continued

growth average 0.9 percent versus much stronger 1.3 percent growth for the nation (CAGRs). Over the same window of time, the state saw manufacturing jobs decline at a 2.3 percent CAGR (see below) while the national economy experienced losses averaging 1.8 percent (CAGR). The strongest growth in Tennessee has taken place in professional and business services (2.7 percent CAGR) and education and health services (2.4 percent CAGR). Employment in the natural resources and mining and federal government sectors is down from the levels that prevailed in 1995.

The state economy carried a 5.3 percent unemployment rate in 1995, three tenths of a percentage point below the rate that prevailed in 2005. The national unemployment rate stood at 5.1 percent in 2005, down one-half percentage point from the prevailing rate in 1995. The state's civilian labor force has grown at only a 0.7 percent rate since 1995 while the number of employed people is up only 0.6 percent (CAGRs). The number of unemployed people, on the other hand, grew 1.3 percent (CAGR) over the same time period, stronger than the rate of job creation for the state economy. The recent peak for the labor force participation rate in Tennessee was in 1995 (66.5 percent). The participation rate has dropped slowly and consistently since that time reaching a low of 61.9 percent in 2005.

Gross state product (GSP) is the counterpart to gross domestic product (GDP) for the national economy. Unfortunately due to the conversion to the North American Industrial Classification System (NAICS) for economic data, the historical series on GSP by sector dates back only to 1997. As discussed in the outlook section below, this short window of historical data hampers the development of both the short-term and long-term forecast for GSP by sector. However, the longer series on aggregate GSP provides information to yield more precise estimates of *total* goods and services production for the state economy.

Inflation-adjusted GSP grew at a 2.7 percent CAGR between 1997 and 2003, the most recent year for which historical data are available, compared to 2.9 percent for the national economy over the same period. Tennessee's GSP growth rate bottomed out in 2000 with a gain of only 0.6 percent, followed by 1.0 percent growth in the recession year of 2001. The national economy's trough for GDP growth was in 2001 with a 0.8 percent gain.

Despite the recession, inflation-adjusted output for the state and national economies continued to expand through the most recent business cycle. However, many sectors of the state economy did see cyclical declines in inflation-adjusted output. Output in the state's manufacturing sector suffered setbacks of 1.4 percent and 1.8 percent in 2000 and 2001. But growth rebounded sharply at 4.3 percent and 5.0 percent in the following two years. Growth in manufacturing output for 2004 and 2005 is projected to be in excess of 4 percent. Some other sectors of the state economy were largely untouched by the economic downturn of 2001, including information, financial activities, and education and health services.

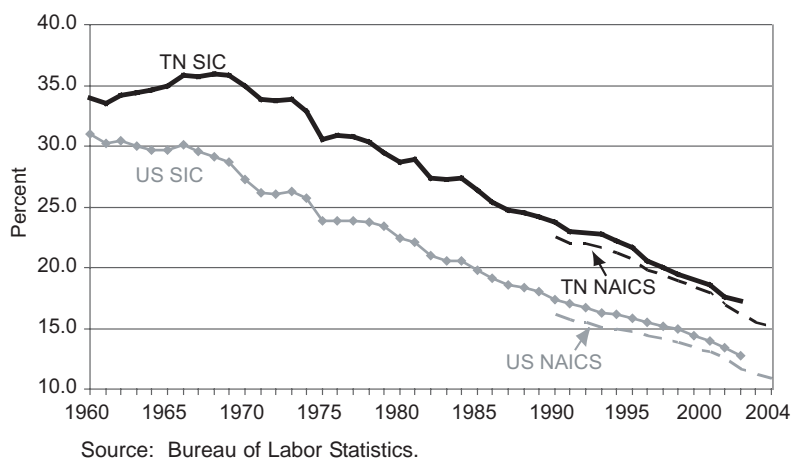
3.2. Historical Trends, continued

Trends in the State's Manufacturing Sector

Manufacturing has been the backbone of Tennessee's economy for decades, but its relative position has eroded as jobs have been lost at the same time other sectors like services have seen strong job gains.¹ In the metropolitan areas of the state, manufacturing now accounts for a relatively small share of overall employment. Business and professional services, education and health services, and financial activities are some of the sectors that now play a more dominant role in the economies of metropolitan Tennessee. But many rural counties of the state continue to rely disproportionately on manufacturing as the anchor of their local economic base. For the state as a whole, manufacturing represented 15.1 percent of all jobs in Tennessee in 2005, but for many rural communities, manufacturing accounted for nearly one-half of all jobs in the county.

Figure 3.1 puts the trend in perspective for Tennessee and the U.S. In the late 1960s, manufacturing's relative job share of the economy peaked at above 35 percent of all nonfarm jobs. Since that time, both the national and state economies have seen the relative job role of manufacturing decline, a trend that certainly does not appear to be slowing. Figure 3.2 provides a more recent perspective for the American states using North American Industrial Classification System (NAICS) data. The trend taking place from 1990 forward is nothing short of dramatic. In 1990 there were 11 states that relied on manufacturing for at least one in five jobs. By 2004 no state had a manufacturing sector of that relative size. And while 30 states had manufacturing shares between 11.0 and 19.9 percent in 1990, this slipped to only 23 states in 2004.

Figure 3.1. Manufacturing Employment as a Percentage of Total Nonfarm Employment: 1960 to 2004



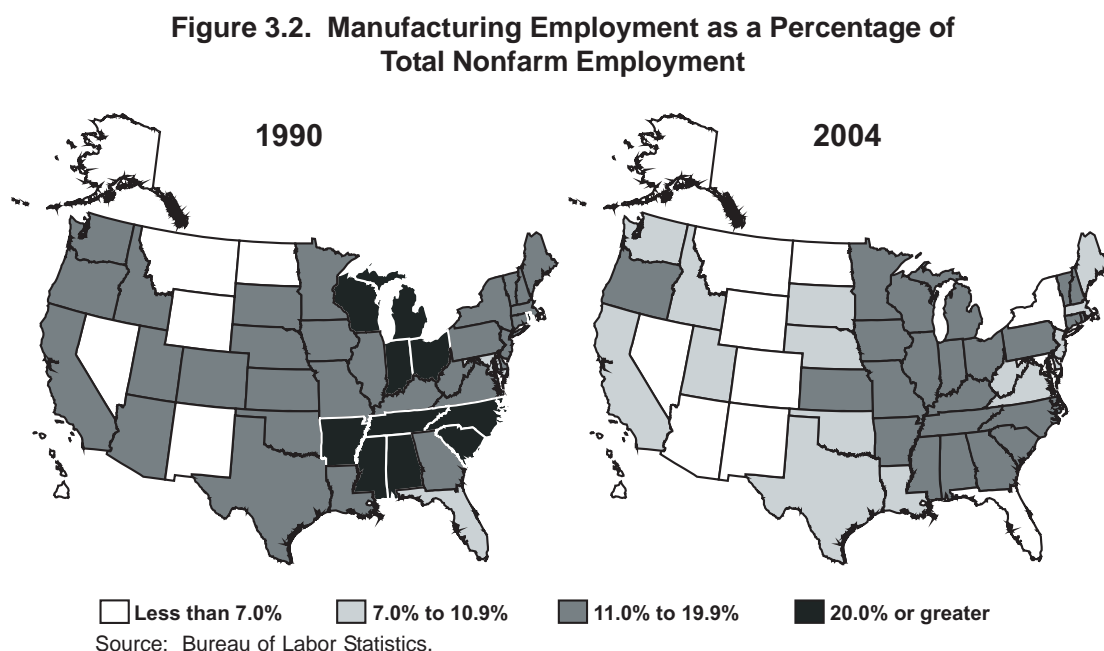
1. This section, as well as portions of Chapter 2, draw from *The State of Manufacturing in Tennessee*, a report recently released by CBER. The report is available at <http://cber.bus.utk.edu/pubs/mnm105.pdf>.

3.2. Historical Trends, continued

Two important points warrant attention. First, while manufacturing's *relative* contribution to the state economy has withered in terms of jobs, the same pattern has not taken place for the value of manufacturing production. Because of capital investments (including equipment and computer technology) and upgraded worker skills, manufacturing facilities have enjoyed strong gains in productivity that allow for more to be produced with fewer workers. The value of output in manufacturing *relative* to the value of all goods and services produced in the economy (i.e. gross state product) is shown in Figure 3.3. Despite the falling importance of manufacturing jobs, output in durable goods manufacturing as a share of total production in the state has actually risen over time, with marked improvement taking place since the mid 1980s when transportation equipment (discussed below) began to grow in importance. Nondurable goods manufacturing has not enjoyed the same fate as durable goods manufacturing. One reason is that many production processes in the nondurable goods sector are labor intensive rather than capital intensive, so strong productivity gains are often harder to engineer. For many firms it is simply more cost effective to move facilities abroad and take advantage of lower cost labor.

A second important point is that the *relative* decline in the importance of manufacturing jobs is a result of both strong growth elsewhere in the economy and the *absolute* decline in manufacturing jobs. The level of employment in the state's manufacturing sector is illustrated in Figure 3.4. Total manufacturing employment peaked in 1994 and 1995 with 538,900 jobs. By 2005, there were nearly 411,100 manufacturing jobs in Tennessee; 255,100 in durable goods manufacturing and 155,900 in nondurable goods manufacturing.

Manufacturing will continue to play an important role in the state economy, particularly for rural Tennessee, for the foreseeable future. But capturing new jobs and maintaining the existing job base will be increasingly difficult in the years ahead. In many communities, the existing workforce is dominated by individuals who have spent their entire working



3.2. Historical Trends, continued

lives engaged in production activities. They are not in a good position to transition to jobs in other sectors of the economy. In these same places, the business retention and recruitment process continues to focus heavily, if not exclusively, on manufacturing plants despite the fact that manufacturing will not return to its previous dominant role in the economy. As states and localities around the country engage in smokestack chasing, they must recognize that they are in a footrace in pursuit of an ever-smaller piece of the economic pie. Change is needed in the way many communities look at the job creation process, but change occurs slowly.

Figure 3.3. Tennessee Real Output Shares in Durables, Nondurables, and Total Manufacturing

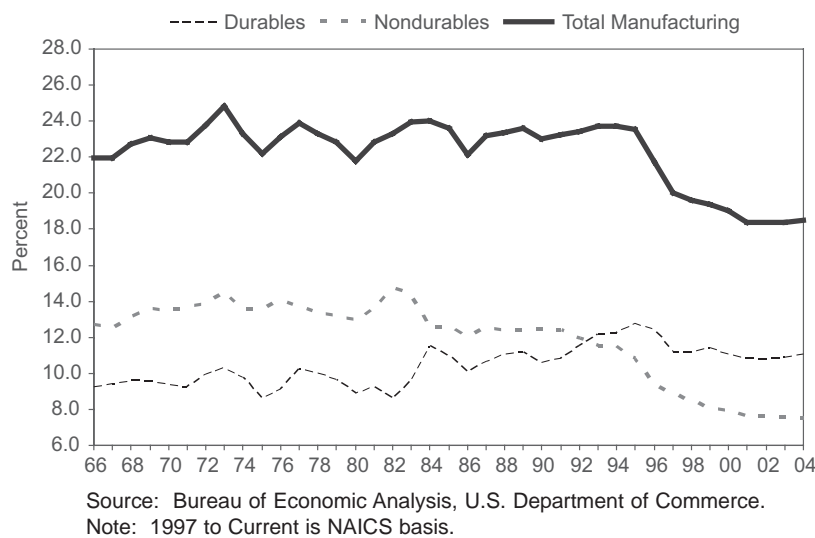
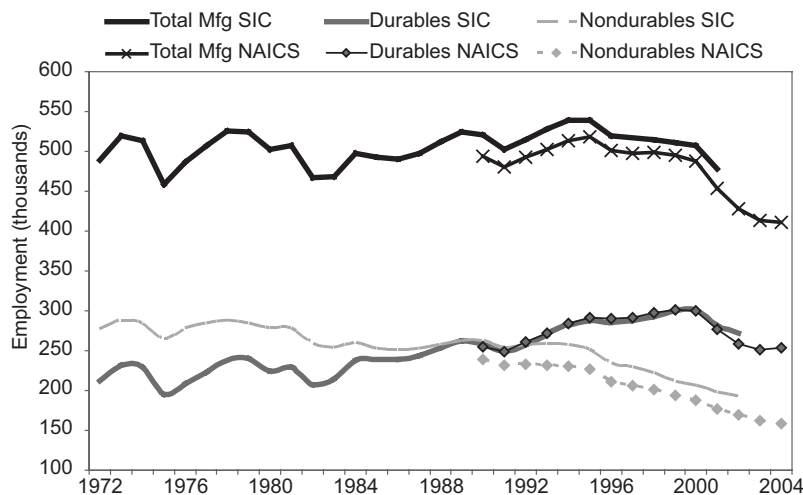


Figure 3.4. Tennessee Manufacturing Employment, Durables and Nondurables



3.2. Historical Trends, continued

Tennessee's Growing Transportation Equipment Sector

Prior to the 1980s, the transportation equipment sector had a modest presence in the southeastern states. That is certainly not the case today. Relatively low wages and low taxes, good locations, tax incentives and other factors have contributed to marked growth of the industry in Tennessee and other southeastern states. Especially important has been the location of major automobile assembly facilities, including Nissan and Saturn in Tennessee, and Toyota, Mercedes Benz and BMW in other states in the region. By 2004, Tennessee had risen to 7th in the nation in terms of the total number of jobs in the transportation equipment sector.

Automobile assembly is probably the first thing that comes to mind when most think of “transportation equipment,” but automobile assembly is just one part of the larger transportation equipment sector that has linkages across virtually all sectors and regions of the state economy. In addition to vehicle assembly, transportation equipment includes the production of a wide array of parts and components that become elements of the final automobile. Moreover, the transportation equipment sector also includes assembly and parts production for other types of transportation equipment, including trucks, bicycles, boats and aerospace products. Having vehicle assembly facilities in the state is fortuitous as they pull in parts manufacturers to support the assembly process itself, particularly under the modern just-in-time inventory system.

The sustained importance of the transportation sector to the Tennessee economy is evidenced by recent headlines from newspapers across the state. For example, a recent issue of the *Tennessean* included an article headlined: “Nissan is coming to Tennessee starting next summer: \$70 million headquarters on tap for 2008.” Nissan announced in the fall that it is moving its North American corporate headquarters from southern California to Williamson County, Tennessee—a move which is expected to provide considerable economic benefits to the state. While these jobs technically do not count as manufacturing jobs since they are not production oriented, they remain closely linked to their production counterparts at Nissan’s nearby assembly facility.

Additional recent good news in the *Knoxville News-Sentinel* was headlined: “Denso adds to plant, payroll,” referencing the coming expansion of the automobile parts manufacturing plant in Maryville, Tennessee. This new initiative is expected to create up to 500 new production jobs and support new capital investment totaling \$185 million. Denso currently employs about 2,500 workers at its Maryville facility.

The Nissan and Saturn manufacturing plants in Smyrna and Spring Hill (see adjacent box inserts) are important contributors to the national automobile production market. In 2004, the Nissan and Saturn plants combined to produce over 750,000 automobiles. Each of these plants offers unique contributions to the state in addition to the number of automobiles manufactured. Both companies have proven to be good corporate citizens,

3.2. Historical Trends, continued

and workers at these facilities are well paid and receive a wide array of fringe benefits including health insurance. The Nissan plant in Smyrna, which relies heavily on robots in the production process to assemble a variety of vehicles, is consistently rated as the most productive plant according to *The Harbour Report*.² The plant also relies heavily on just-in-time inventory, bringing suppliers into close proximity of the facility itself.

The automotive supply chain is divided into tiers. Tier one suppliers are firms that directly supply assembly plants with parts and components. These suppliers tend to be highly dedicated to their respective product lines, selling primarily, if not exclusively, to the assemblers. They are under intense pressure from the assemblers to provide high-quality parts at low cost. Tier two suppliers in turn supply tier one manufacturers with inputs, and so on down the supply chain. For example, a firm that produces electrical wiring (a tier two supplier) may provide this wiring to another firm that transforms the wiring into electrical harnesses (a tier one supplier) that directly become a component of the final automobile. Tier two, tier three and other firms in the supply chain typically sell their products to a variety of firms, many of which may not be involved in transportation equipment parts manufacture or vehicle assembly. The presence of assembly facilities ensures the nearby presence of tier one suppliers. Similarly, the presence of tier one suppliers promotes the proximate location of tier two suppliers. It is in this fashion that the location of an assembly plant yields significant interindustry linkages and substantial job creation effects across the entire economy.

Nissan in Tennessee

Nissan North America, Inc. began operations in Smyrna, Tennessee in 1983. The Smyrna plant opened with 1,300 employees and currently employs around 6,700. The facility is responsible for production of Altima midsize sedans, Frontier pickup trucks, Maxima sport sedans, Xterra sport utility vehicles and Pathfinder sport utility vehicles. The Smyrna location is continually rated as one of the most efficient automobile manufacturing plants in the country. In 2002, production of the Altima and the Xterra required the fewest total hours per vehicle for production of midsize sedans and small sport utility vehicles, respectively. In 2004, the plant produced 550,000 vehicles.

In 1997, Nissan opened a manufacturing plant in Decherd with roughly 1,300 employees responsible for production of engines for every Nissan and Infiniti vehicle manufactured in the United States, as well as transaxles and (beginning in 2006) crankshafts. The Decherd plant produced 950,000 engines and 300,000 transaxles.

In November 2005, Nissan announced the decision to locate its corporate headquarters in Franklin, Tennessee. The new headquarters is expected to move around 1,300 jobs to the area and will initially locate in temporary facilities in downtown Nashville in the beginning of 2006.

Saturn in Tennessee

In 1982, members of the General Motors engineering staff began work on a small car project entitled "Saturn." The Saturn automobile was intended to be a small American automobile with plastic, dent-resistant siding that was sold without haggling. In addition, the organization took a team-oriented approach and sold the company rather than the car. Saturn began manufacturing vehicles in Spring Hill, Tennessee in 1990 with nearly 3,000 employees.

Today the Spring Hill plant employs 5,700 employees who are responsible for production of Vue sport utility vehicles and Ion sedans and coupes. In 2004, the plant produced a total of 210,783 vehicles.

In November 2005, GM announced plans to cease production of the Saturn Ion in Spring Hill sometime in 2006. In January 2006, GM announced plans to begin production of its gas-electric hybrid, the Vue Green Line at its Tennessee facility. It is not clear how employment at the plant will be affected by these changes in production.

2. *The Harbour Report* ranks the productivity of automobile manufacturing plants based on assembly hours per vehicle made.

3.2. Historical Trends, continued

What Do the Data on Transportation Equipment Reveal?

By virtually any measure, the role of parts production and vehicle assembly has gained in importance to Tennessee as well as to other southeastern states.³ Figure 3.5 displays the share of GSP that is in the *motor vehicle manufacturing sector* for six states in the region, as well as the U.S. share of gross domestic product dedicated to the same economic activity.⁴ In Tennessee, the value of motor vehicle manufacturing reached nearly \$4.4 billion or 2.2 percent of total GSP, up from 1.0 percent in 1977. Of all the states considered, only Kentucky has a larger motor vehicle manufacturing sector and a larger portion of GSP made up of this same sector. Kentucky's sharp growth since 1990 is due in large part to the Toyota facility located in Georgetown. Alabama, Kentucky, Tennessee and South Carolina all have higher percentages of GSP in the motor vehicle manufacturing sector than the U.S. as a whole.

Figure 3.6 provides a parallel perspective by displaying the percentage of GSP in the more broadly defined *transportation equipment sector* (see footnote 3). The patterns are similar. In 2003, 2.4 percent of total GSP in Tennessee was attributable to the transportation equipment sector, compared to only 1.4 percent in 1977. Only Kentucky and Alabama have higher shares dedicated to transportation equipment. In general, all states display a slight upward trend across the time period 1977–2003, although some weakening emerged in the late 1990s.

3. Only six southeastern states are included in the figures. Data on other southeastern states show that the relative size of the transportation equipment manufacturing sector is significantly smaller in these other areas so they were excluded from the figures.

4. As defined in Figures 3.5 and 3.7, the motor vehicle manufacturing sector includes motor vehicle manufacturing; motor vehicle body and trailer manufacturing; and motor vehicle parts manufacturing. The transportation sector as defined in Figures 3.6 and 3.8 includes motor vehicle manufacturing plus other transportation equipment manufacturing, which includes aerospace product and parts manufacturing; railroad rolling stock manufacturing; ship and boat building; and other transportation equipment manufacturing.

3.2. Historical Trends, continued

Figure 3.5. Percentage of GSP in Motor Vehicle Manufacturing

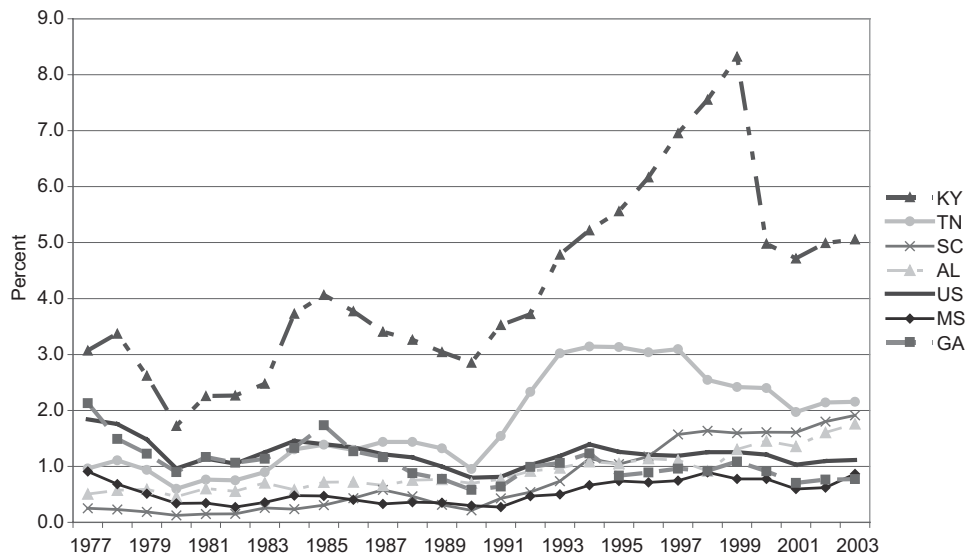
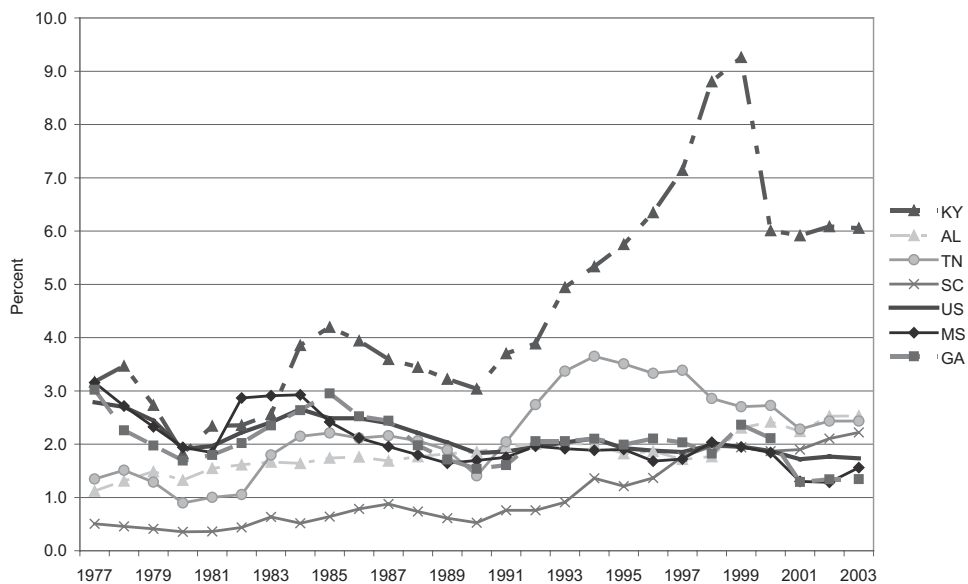


Figure 3.6. Percentage of GSP in Transportation Equipment Manufacturing



3.2. Historical Trends, continued

Figures 3.7 and 3.8 show the share of the states' total nonfarm employment in the motor vehicle manufacturing and transportation equipment manufacturing sectors, respectively. Employment in motor vehicle manufacturing increased from 0.6 percent in 1977 to 1.6 percent of total employment in 2003. In 1977, of the states presented in Figure 3.7, Tennessee had the third-highest percentage of employment in motor vehicle manufacturing behind Georgia and Kentucky and was below the U.S. By 2003, Tennessee had moved above Georgia and the U.S. to remain only below Kentucky among the states shown. In 1977, roughly 1 percent of Tennessee's total employment was in the transportation sector (see Figure 3.8). This rose to 1.6 percent by 2003. In 1977, Tennessee ranked below Mississippi, Alabama, Georgia and the U.S. in the share of employment in the transportation sector, but by 2003 Tennessee only ranked behind Kentucky.

Workers in vehicle-related production activities are well paid. The following figures show the average weekly earnings of the transportation equipment manufacturing sector relative to total manufacturing earnings (Figure 3.9) and total overall earnings for all sectors of the economy (Figure 3.10).⁵ In 1997, average weekly earnings in the transportation equipment sector were nearly 25 percent above the average weekly earnings in the total manufacturing sector. The premium shows some shrinkage up to 2000 for the U.S., Tennessee and Georgia. The break in the figure in 2000 reflects the movement from the Standard Industrial Classification (SIC) accounting system to the NAIC System. The data before and after 2000 are not directly comparable as has been noted previously. Under the new NAIC System, earnings have generally risen when compared against overall earnings in the entire manufacturing sector. The relative earnings of Tennessee's transportation equipment sector workers were above those of Mississippi and South Carolina in 1997 but remained above only South Carolina in 2003.

The premium earned by workers in transportation equipment looks stronger still when compared against earnings across all sectors of the economy, as shown in Figure 3.10. In 1997 under the SIC accounting system, average weekly earnings in Tennessee's transportation equipment sector were nearly 48 percent above the total average weekly earnings. (The break in the figure in 2000 once again means data before and after 2000 are not directly comparable.) In 2003 under NAICS, earnings were 37 percent above total earnings. The average weekly earnings premium in Tennessee was lower than all other states shown and the nation as a whole in 2003.

Figure 3.11 shows average weekly earnings for private sector employment as a whole and for the transportation equipment sector, for the U.S. and for the states that have been considered above for 2004. In general, workers in the transportation equipment sector enjoy a substantial wage premium over other private sector workers. For Tennessee, the premium amounts to \$246 per week or 36.7 percent. Tennessee's overall earnings (\$670 per week) are almost 90 percent of the earnings for the national economy (\$753 per week) and second among the states shown. Earnings in the state's transportation equipment sector total \$916 compared to \$1,265 for the nation. This greater earnings disparity for state transportation equipment sector workers versus their national counterparts is likely due in part to the greater union influence in traditional transportation equipment producing states.

5. The transportation equipment manufacturing sector definition used by the BLS follows the SIC industry definition prior to 2001 and the NAICS definition from 2001 forward.

3.2. Historical Trends, continued

Figure 3.7. Percentage of Total Employment in Motor Vehicle Manufacturing

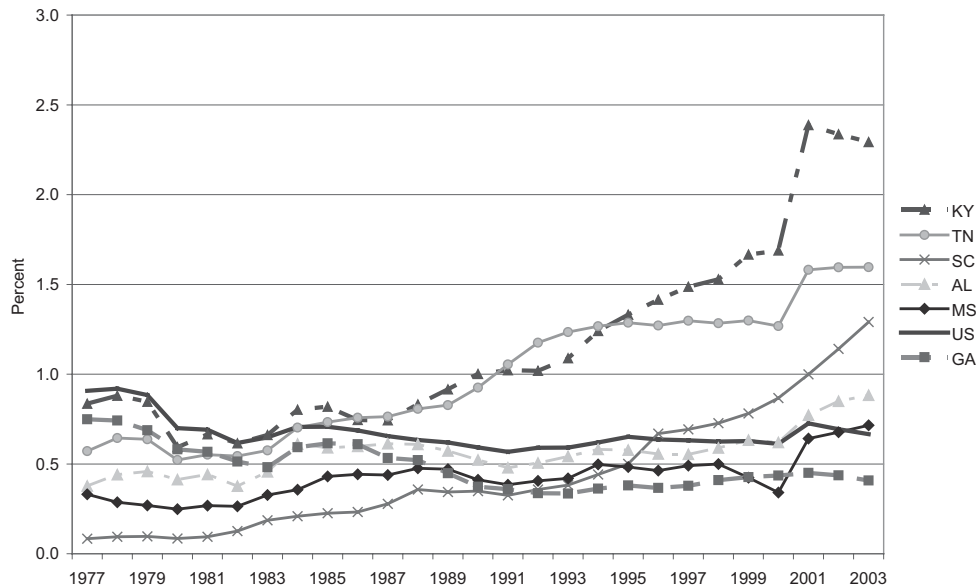
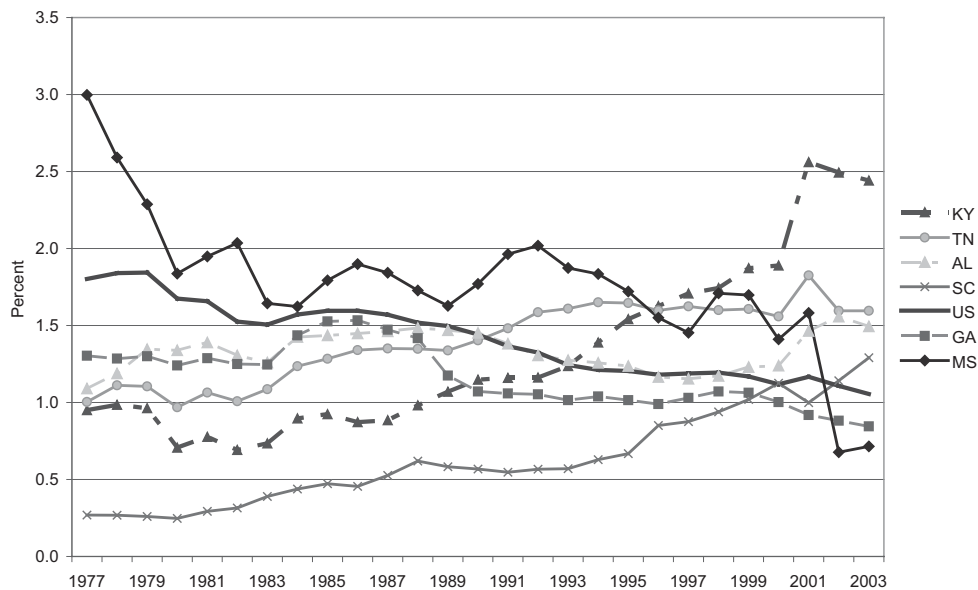
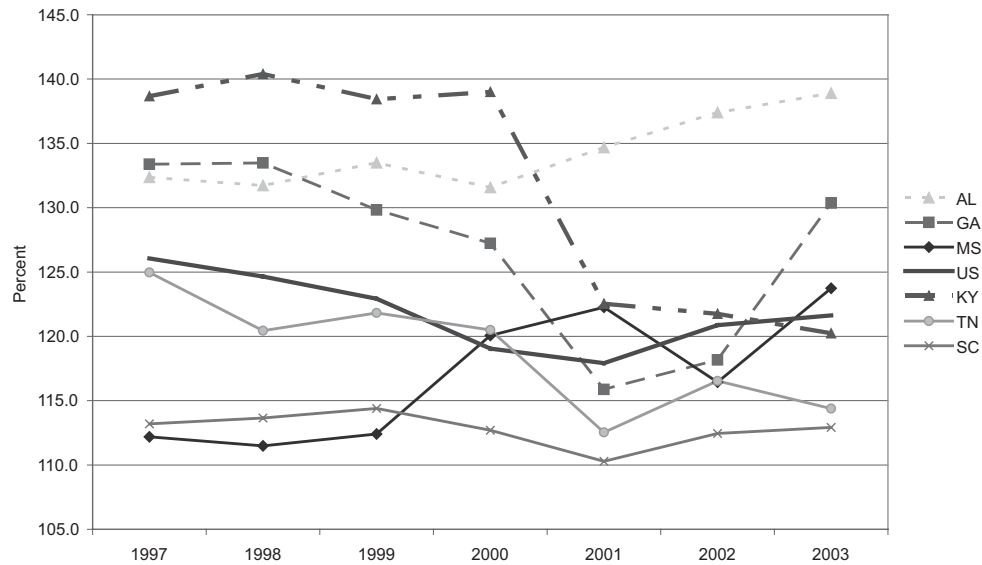


Figure 3.8. Percentage of Total Employment in Transportation Equipment Manufacturing



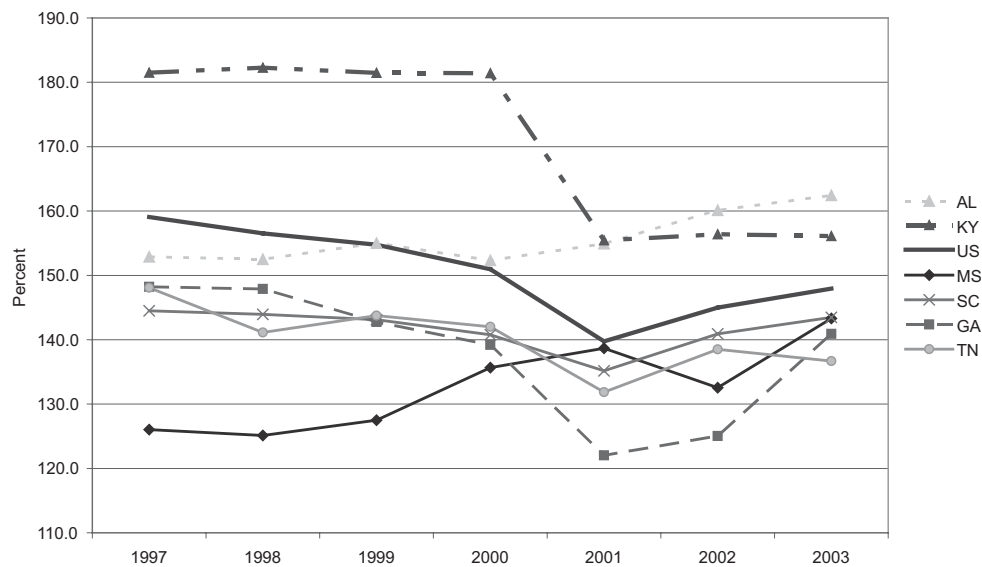
3.2. Historical Trends, continued

Figure 3.9. Transportation Equipment Manufacturing Earnings Relative to Total Manufacturing Earnings



Source: Bureau of Labor Statistics.

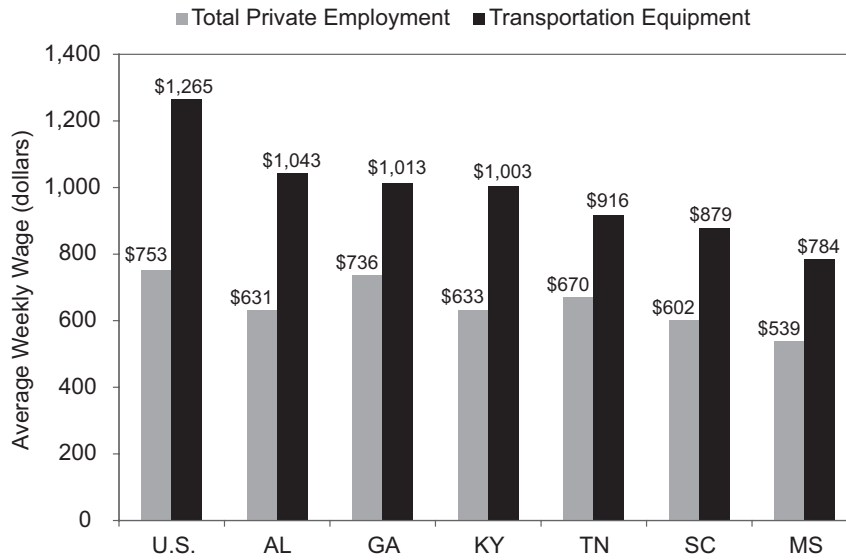
Figure 3.10. Transportation Equipment Manufacturing Earnings Relative to Total Earnings



Source: Bureau of Labor Statistics.

3.2. Historical Trends, continued

Figure 3.11. 2004 Average Weekly Wages



Source: Bureau of Labor Statistics.

Note: Wage data are for workers covered by state unemployment insurance programs.

3.2. Historical Trends, continued

The Future of the Transportation Equipment Sector

The transportation equipment sector generally and the automotive parts and assembly sector in particular, are undergoing dramatic transformation. Hybrid vehicles, hydrogen cars and other technological advances will change supply-chain relationships and may render existing production facilities obsolete. In addition to technological change is increased competition, both from domestic producers and from producers abroad. Sometime in the near future, the domestic automobile market will see new inroads from Chinese automobile manufacturers. This will certainly rock the domestic automobile market.

Domestic stalwarts like GM and Ford are struggling in the face of this intense competition. They confront legacy costs associated with health care, especially for retirees, as well as high union wage structures. Moreover, some of their most profitable lines of vehicles—large cars and sport utility vehicles—are not selling well in the face of high gasoline prices. GM has already announced plans to curtail some production operations, and more cuts could very well be on the horizon. The same is true of Ford. A review of trade publications offers little optimism about the near-term future of the automobile industry in the U.S.

Additional evidence of intense competitive pressure is offered by the current bankruptcy status of Delphi Corporation, one of the world's largest producers of automotive parts. While Delphi's operations in China are profitable, they have incurred substantial losses from their domestic operations. The company hopes to emerge from bankruptcy sometime in the future, but this will likely depend on whether the United Auto Workers accept large and painful cuts in wages and benefits.

Tennessee has reaped substantial gains from the growth of the transportation equipment sector in the past twenty years, and these gains will likely expand further in the years to come. One illustration is that jobs in the state's transportation equipment sector are projected to grow strongly between 2005 and 2015. But the environment within which this growth will take place will differ markedly from the environment that has prevailed in the past twenty years. Profits and wages will be squeezed, while some jobs will be lost and some firms will not survive. A strong state and local business climate, coupled with initiatives to promote workforce development to ensure the competitiveness of both workers and firms, will be essential to support the future growth of the transportation equipment sector in Tennessee.

3.3. Long-Term Economic Outlook

Between 2005 and 2015, Tennessee should enjoy nearly 1.5 percent job growth (CAGR), ahead of the pace of job creation for the national economy. The state unemployment rate will drift downward and reach a low of 4.9 percent by 2015, slightly higher than the national rate of unemployment. Tennessee nominal total personal income is forecast to rise 5.7 percent over the same period, matching the rate of growth for the U.S.

The State Labor Market

State job growth is expected to accelerate some in 2009 and beyond as the economy reverts to trend. The state will actually take over the lead from the nation in 2008 as the pace of job growth for the U.S. slows. Tennessee's manufacturing sector is expected to eke out a 0.4 percent (CAGR) gain between 2005 and 2015, reflecting the net creation of 15,500 new jobs. Just under 32,000 new jobs are projected for the state's durable goods manufacturing sector, more than offsetting the loss of slightly more than 16,400 jobs in nondurable goods manufacturing. Manufacturing will represent 13.5 percent of all nonfarm jobs in 2015, down from 15.1 percent in 2005.

Having represented 37.9 percent of jobs in manufacturing and 5.7 percent of all nonfarm jobs in the state in 2005, the contribution of nondurable goods will slip to 32.7 percent of manufacturing jobs and 4.4 percent of all jobs by 2015. Most broad components of nondurable goods manufacturing will see job losses over this period, with the exception of textile product mills and plastics and rubber. Employment in textile mills (not textile *product* mills) will rest just under 4,000 while employment in apparel will stand at 4,800 in 2015. In 1993 the comparable figures were 14,600 and 55,500. The job losses for these two sectors alone between 1993 and 2015 total nearly 61,300.

The state's durable goods sector will see its share of manufacturing jobs rise at the same time durables continue to decline as a share of total nonfarm jobs. With the exception of computer and electronic products which will see flat growth, all other subsectors within durable goods manufacturing will enjoy job growth. Transportation equipment is projected to have the strongest rate of job growth between 2005 and 2015, followed by machinery and electrical equipment, appliances and components.

Outside of the manufacturing sector, construction will enjoy the strongest rate of growth averaging 2.5 percent (CAGR) between 2005 and 2015, followed by financial activities

3.3 Long-Term Economic Outlook, continued

with a 2.2 percent rate of growth. The outlook for most of the service sectors has been greatly influenced by their poor showing since the late 1990s. Professional and business, education and health, and leisure and hospitality services are nonetheless expected to see growth averaging just under 2 percent (CAGR).

The state unemployment rate is expected to hover around 5.0 percent in 2009 and beyond, reaching a low of 4.9 percent in 2013 and 2015. Growth in the civilian labor force is expected to gather some steam over the short term, eventually breaking the 1 percent barrier in 2011 and the years that follow. The labor force participation rate will rest at 62.0 percent in 2015 versus 61.9 percent in 2005, although the intervening years show somewhat lower rates of participation.

Personal Income and Taxable Sales

Nominal state personal income will advance at a 5.7 percent CAGR between 2005 and 2015, matching the rate of growth for the national economy. Personal income will reach a milestone in 2007, totaling \$207.0 billion, the first time the state economy has generated income in excess of \$200 billion. Growth in total wage and salary income will closely track overall personal income through most of the forecast window. The average wage rate in the state will grow an average of 3.8 percent per year (CAGR) and reach \$54,256 by 2015. Proprietors' income should grow 6.2 percent and rent, interest and dividend income is expected to grow 4.7 percent (CAGRs).

Annual growth in Tennessee nominal per capita personal income will lie between 4.6 percent and 4.9 percent, yielding average growth of 4.8 percent (CAGR). The national economy will see a similar rate of growth. The state's nominal per capita personal income will stand at \$49,541 in 2015, or 90.3 percent of the national average. Tennessee inflation-adjusted personal income should see average growth of 2.5 percent though the long-term forecast horizon.

Nominal taxable sales totaled \$86.7 billion in 2005 and will reach the \$146.4 billion mark by 2015, reflecting 5.4 percent (CAGR) growth. Taxable sales as a share of state personal income will slip from 46.7 percent in 2005 to 45.4 in 2015, applying additional pressure to the state budget process.

3.3 Long-Term Economic Outlook, continued

Gross State Product

As noted previously, there are limited historical data on Tennessee GSP by sector. Since this history goes back only to 1997, the long-range forecast for GSP by sector is likely subject to considerable forecasting error. (The same is not true of aggregate GSP as this history extends further back in time.) Adding to the problem of a short window of time is the presence of a business cycle—contraction, recession and recovery—in the middle of the data series. Labor productivity is critical to the forecast of output by sector, but labor productivity varies substantially over the business cycle.

As an illustration, consider the cyclically-sensitive manufacturing sector. Over the 1997–2003 period, labor productivity (i.e. total inflation-adjusted output relative to employment) grew at a 4.6 percent rate. However, output per worker actually contracted at a 0.1 percent rate in 2000 and then jumped 10.5 percent in 2002. More extreme volatility is observed in certain other sectors of the economy. For example, output per worker in mining was up 16.3 percent in 1999 but fell 3.9 percent just two years later; output per worker in the federal government sector plummeted 13.4 percent in 2001 and then spiked 26.6 percent in 2002.

Between 2005 and 2015 Tennessee total inflation-adjusted GSP should grow at a 3.7 percent CAGR, ahead of the pace of GDP growth for the nation. As employment growth improves in 2009, GSP growth will improve modestly as well. Output growth in manufacturing is expected to continue to benefit from strong productivity gains. The value of goods and services in the state's manufacturing sector will expand at a 5.1 percent CAGR over the long-term forecast horizon. Despite a declining share of overall nonfarm jobs, manufacturing output as a share of total state output will grow in the years ahead. By 2015 manufacturing output will account for 21.5 percent of GSP versus nearly 19 percent in 2005. Growth in durable goods manufacturing will be especially strong, benefiting from both productivity and employment gains. Computer and electronic products will show the strongest growth rates. (Labor productivity in computer and electronic products manufacturing averaged an amazing 62.7 percent CAGR between 1997 and 2003.) The nondurable goods sector is expected to see decent output growth as productivity gains offset contractions in employment.

3.4. Additional Reading on Manufacturing and Transportation Equipment

Background on the state's overall manufacturing sector is provided in a 2005 report *The State of Manufacturing in Tennessee* available at <http://cber.bus.utk.edu/pubs/mnm105.pdf>.

Information on the automotive sector can be found at the following sources:

Center for Automotive Research, www.cargroup.org.

Harris Infosource, www.harrisinfo.com.

Harbour Consulting, www.harborinc.com.

CBER conducted several studies in the 1990s exploring the automobile industry in Tennessee and the southeastern states. Titles of and links to these reports follow.

Strategic Options for Fostering the Development of the Automotive Cluster in Tennessee. September 1999. <<http://cber.bus.utk.edu/pubs/mnm087.pdf>>

The Location Decision of Automotive Suppliers in Tennessee and the Southeast. June 1999. <<http://cber.bus.utk.edu/pubs/mnm083.pdf>>

A Profile of the Automobile Sector in the U.S., and Southeastern States. June 1999. <<http://cber.bus.utk.edu/pubs/mnm081.pdf>>

Examining Supply Gaps and Surpluses in the Automotive Cluster in Tennessee. May 1999. <<http://cber.bus.utk.edu/pubs/mnm080.pdf>>

Understanding Tennesseans' Attitudes about Education

In this chapter...

- 4.1. Introduction**
- 4.2. Importance of Education to Tennesseans**
- 4.3. Quality of Education in Tennessee**
- 4.4. Education and Jobs**
- 4.5. Expectations for Educational Attainment**
- 4.6. Location and Financing of Higher Education**
- 4.7. A Glimpse at Policy Issues and Questions**

4.1. Introduction

Tennessee's economy continues in transition, as manufacturing employment declines and services occupations grow. Global competition in the years to come ensures further change and pressure on the labor force and the economy as a whole. The ever changing economy mandates changes in the skills and education levels of Tennesseans. Education and workforce development are arguably the most daunting economic development challenges confronting the state today.

In light of these challenges, Tennessee's stakeholders—including policymakers, educators, business and community leaders, and more—would benefit if more Tennesseans recognized that education is critical not only to their own personal well being (through higher earnings and reduced welfare dependencies) but also to employers who require high-skilled, high-education workers. Higher levels of educational attainment would also relieve some pressure on state and local government, by making business recruiting more fruitful, increasing tax dollars, and reducing crime costs.

Educational attainment levels as measured by high school diplomas and bachelor's degrees awarded have been on the rise in Tennessee. Still, Tennessee lags the nation and several neighboring states in attainment on all levels. And despite gains in recent years, attainment levels are on the rise in other states (and countries) as well, which means Tennessee is struggling to gain ground competitively.

As the state evaluates and develops policies and programs to improve the educational system, remove barriers to attainment, and incentivize both youth and adults to reach their maximum education potential, it is important to understand how highly Tennessee's youth

4.1. Introduction, continued

and adults value education. Measuring attitudes serves not only as a summary of Tennesseans' beliefs about education in general but also as a means to predict the kinds of behaviors they are likely to engage in on their own behalf.¹

To assess attitudes, the Tennessee Office of the Comptroller of the Treasury contracted with the Center for Business and Economic Research to conduct two studies to measure Tennesseans' attitudes about education. The first study of 3,012 Tennessee adults was designed to determine adults' attitudes about education in general, their own current education level and future education plans, the education of Tennessee's children, their plans for financing higher education for their children, and various demographic characteristics. The second study of 10,976 high school juniors and seniors in 39 public and three private high schools was designed to determine the students' attitudes about the value of education in general, their satisfaction with their own education, their future education plans, and demographic characteristics. The student study was also designed to identify certain school, home, and personality factors that might influence the students' attitudes.²

This chapter highlights certain findings from these two studies. Included are sections describing how important Tennesseans feel education is to their well being, personally and professionally; how Tennesseans feel the educational system in this state measures up to others, and what their educational expectations are for themselves and their children. This chapter also provides a brief summary of how Tennesseans plan to finance their future education. Finally, Section 4.7 provides a glimpse at just some of the challenges to stakeholders made evident by these findings.

1. Petty, R.E., and Cacioppo, J.T. (1996). *Attitudes and Persuasion: Classic and Contemporary Approaches*. Boulder: West View Press.

2. The full report, which includes methodology, additional results, and the survey instruments, is available online from either the Center for Business and Economic Research (<http://cber.bus.utk.edu>) or the Tennessee Office of the Comptroller of the Treasury (<http://www.comptroller.state.tn.us>).

4.2. Importance of Education to Tennesseans

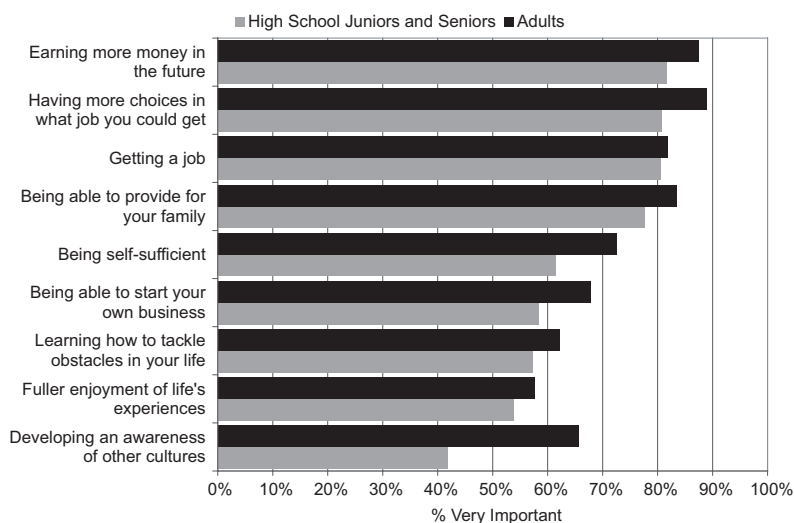
Many adult Tennesseans acknowledge the importance of education, especially with respect to job opportunities and financial security, though a disturbingly large group place little value on education. More than 80 percent believe that education is “very important” to getting a job, having more career choices, earning more money, and providing for their families, and more than 70 percent believe education is very important to self-sufficiency (Figure 4.1). Fewer respondents (though still more than half) say that education is very important to the more general concepts of developing cultural awareness, tackling life’s obstacles, and enjoying life’s experiences.

Responses from Tennessee high school students are similar though consistently lower, with more than 75 percent considering education “very important” to getting a job, having career options, earning more money, and providing for a family. More than 50 percent consider it very important to self-sufficiency, starting a business, tackling obstacles in life, and fully enjoying life’s experiences.

More than 80 percent of adults believe that education is “very important” to getting a job, having more career choices, earning more money, and providing for their families.

Available responses not pictured in Figure 4.1 were “Somewhat important” and “Not important.” Less than 3 percent of high school students and adults say that education is *not important* to earning more money in the future, having more job choices, and getting a job. On the other hand, 14.3 percent of youth and 7.5 percent of adults feel that education is *not important* to developing an awareness of other cultures; 10.5 percent of youth and 5.8 percent of adults feel that education is not important to being able to start their own business; and 9.7 percent of youth and 5.9 percent of adults feel that education is not important to learning how to tackle obstacles in their lives.

Figure 4.1. Percent Who Believe Education Is Very Important to ...



4.2. Importance of Education to Tennesseans, continued

Adult Tennesseans rank education *after* hard work and ambition among factors that help them reach their goals in life while students rank having a good education *first*. More than 80 percent of both students and adults consider having a good education very important (see Figure 4.2), but 3 percent of students and adults indicate that having a good education is not important at all to achieving their life's goals.

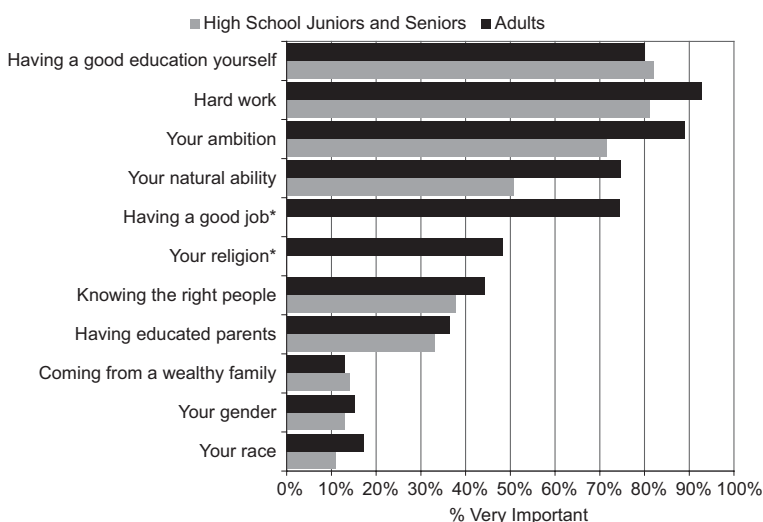
High school students who say they lack support from teachers or administrators or lack support at home are more likely to believe education is “not important” to achieving their life goals than those students who have support at school or home.

The perceived importance of these factors is not uniform across Tennessee's adult population. There are large differences among some demographic groups. For one's own education, Tennesseans with a high school diploma or less are more than twice as likely as those with some postsecondary education to say their education is “not important” in reaching life's goals

(though all percentages were quite low). A similar disparity can be found between lower income Tennesseans and those with higher incomes, and between older and younger Tennesseans.

There are also large differences among high school students' responses. Especially significant are the number of responses that education is “not important” to achieving life's goals from students who say they lack support from a teacher or administrator and those saying they lack support from parents or other family at home; these responses came at significantly higher rates from these students than from those who said they receive support at school or at home.

Figure 4.2. Percent Who Believe These Factors Are Very Important to Achieving Life's Goals



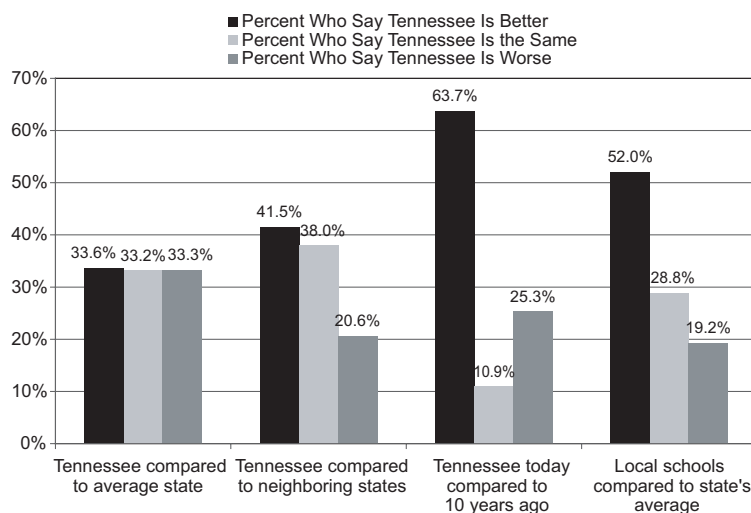
*Not included as options on the High School survey.

4.3. Quality of Education in Tennessee

Tennesseans are split almost evenly between believing that Tennessee's public educational system provides better, worse or the same quality of education as the average state (see Figure 4.3). There is a slightly stronger percentage that believes that Tennessee compares favorably with *neighboring* states (as opposed to the average state), with more than 40 percent responding that Tennessee is better and less than 21 percent saying that Tennessee is worse. Tennesseans are also generally positive about the direction that public education in the state is heading, with nearly two-thirds saying that the quality of education for Tennessee children is better than it was ten years ago. Interestingly, Tennesseans by and large feel that *their* local schools are better than the state average, with 52 percent responding "better" and only 19 percent indicating they feel that their local school is worse than the state average.

Responses to all of these questions are sharply divided by several demographics. Tennesseans with more education, higher incomes, and who attended a private high school are far more likely to respond negatively about the quality of education in Tennessee compared to the average state (see also Figures 4.4 and 4.5). Thus, only about 20 percent of people with graduate or professional education believe Tennessee's schools are as good as the national average, but nearly one half of people who have some high school education (but no degree) believe the state's education is better. Additionally, young Tennesseans (between 19 and 25) are more positive about Tennessee's educational system than those 25 years and older, with only 20 percent responding that education in Tennessee is worse than in the average state.

Figure 4.3. Quality of Tennessee Public Education



4.3. Quality of Education in Tennessee, continued

Figure 4.4. Percent Who Believe Tennessee's Educational System Is Better Compared to the Average State, by Educational Attainment

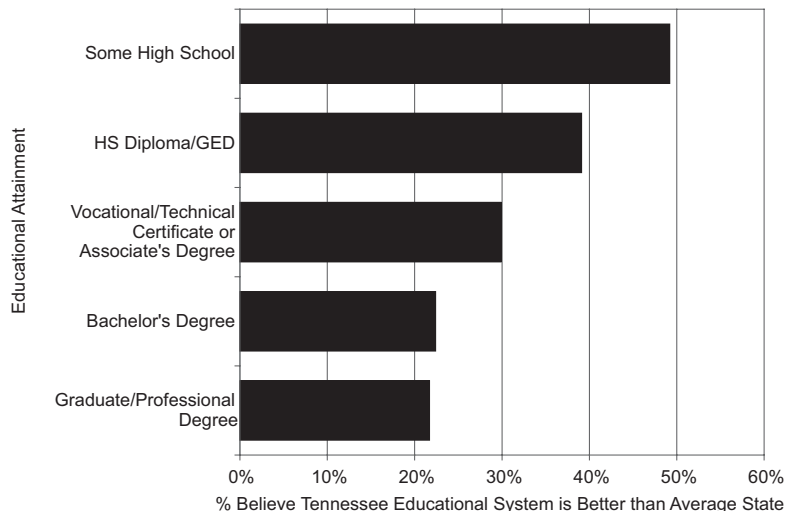
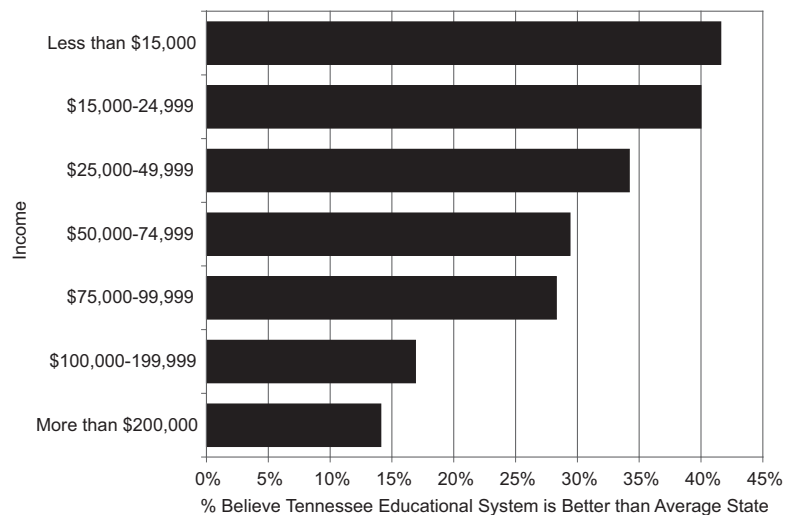


Figure 4.5. Percent Who Believe Tennessee's Educational System Is Better Compared to the Average State, by Income



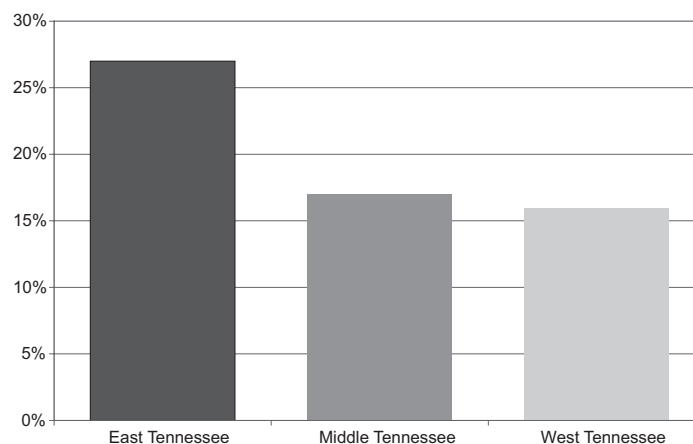
4.3. Quality of Education in Tennessee, continued

Tennesseans believe that Tennessee's public educational system compares more favorably to neighboring states than to the average state in the U.S., but the breakdown across demographic groups is very similar to the comparison with the average state. People in the higher income and education categories tend to be considerably more negative about education in Tennessee compared to neighboring states. Additionally, East Tennessee residents find Tennessee considerably less favorable than those in Middle and West Tennessee, with 27 percent saying that Tennessee is worse than its neighbors (compared to just 17 percent for Middle Tennessee and 16 percent for West Tennessee) (see Figure 4.6). This could be because East Tennessee is adjacent to North Carolina and Georgia, which the public may perceive to have good educational systems, and Middle and West Tennessee have closer proximity to Mississippi and Arkansas, of which public perception is not as high.

People in the higher income and education categories tend to be considerably more negative about education in Tennessee compared to neighboring states.

While Tennesseans are generally positive about the direction the Tennessee public education system is going (with 64 percent saying that education in Tennessee is better now than it was 10 years ago), opinions are significantly different across various demographic groups. Again, respondents with higher incomes and more education tend to be considerably less positive, though most still believe the system has improved in the last

Figure 4.6. Percent Who Believe Tennessee's Educational System Is Worse than Neighboring States, by Grand Division



4.3. Quality of Education in Tennessee, continued

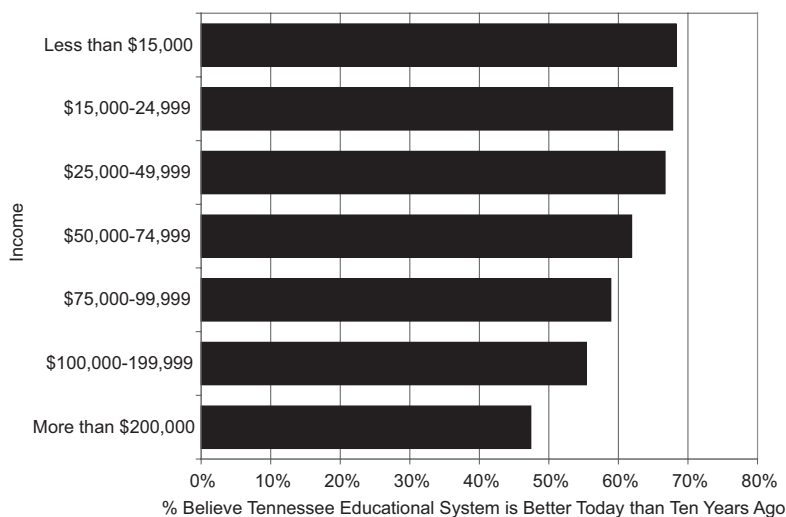
Again, respondents with higher incomes and more education tend to be considerably less positive, though most still believe Tennessee's educational system has improved in the last ten years.

Respondents with children under 19 were more likely to consider the quality of local schools in their decision on where to live, while those with higher incomes and more education were less likely.

ten years (see Figure 4.7). Younger people and those who attended public high schools tend to be more positive as well. West Tennesseans tend to be slightly less positive than those in East and Middle Tennessee with only 57 percent seeing improvement compared to nearly two thirds in East and Middle Tennessee.

About 58 percent of Tennesseans say that the quality of local schools was “somewhat important” or “very important” in their decision on where to live, while 42 percent say it was not a factor in their decision. Respondents with children under 19 were more likely to consider the local schools in their decision, with only 31 percent saying it was not a factor. The responses differ across demographic groups, as those with higher incomes and more education are less likely to consider it important (see Figure 4.8). Perhaps lower income households show their preference for better schools by their housing choices and higher income households are more likely to have private school alternatives.

Figure 4.7. Percent Who Believe Tennessee's Educational System Is Better than It Was Ten Years Ago, by Income



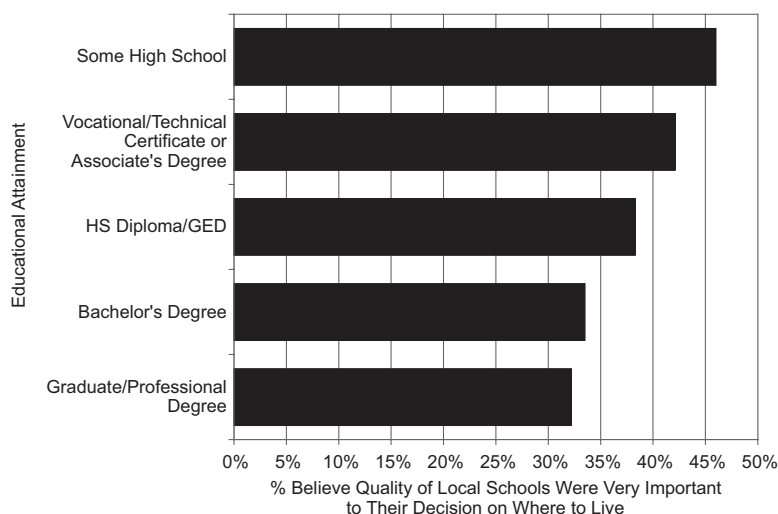
4.3. Quality of Education in Tennessee, continued

Most Tennesseans, if given a choice to improve one area of the educational system, would choose elementary, middle, and high schools, with nearly 78 percent choosing one of the three. The next area of improvement Tennesseans look to is in the Pre-K and kindergarten programs, with almost 15 percent saying they would emphasize those area for improvement first; these responses were less common from younger Tennesseans and those with less education. Only 7 percent choose higher education (vocational and technical programs or college) as the primary area for improvement.

After respondents identified one area of Tennessee's education system on which to focus improvements, they were asked to talk about what the state could do to improve it. Of the 2,566 people who were willing (and had time) to talk about that issue, 167 of them stated that they did not know. The remaining responses were analyzed and categorized based on recurring issues. These categories, as well as the overall percentage of responses that fell into them, are outlined in Table 4.1.

While there appeared to be a general consensus about the issues in the state's education system that Tennesseans feel should be addressed, there was rarely agreement on how to address or fix them. In the rare cases where there was agreement (for instance, respondents said to *increase*—not *reduce*—funding, to *increase*—not *decrease*—the teacher-to-student ratio, and to pay teachers more—not *less*), the direction of agreement is reported in the

Figure 4.8. Percent Who Believe that Local School Quality Is Very Important to Their Decision on Where to Live, by Educational Attainment



4.3. Quality of Education in Tennessee, continued

**Table 4.1. Issue Categories in Responses to
“What Could the State Do to Improve Its Education System?”**

Issue Category	Percent of All Responses	Description
Policy/Administration Issues	33.2	Funding Increase funding; make funding equal in all schools across the state Increase funding on research, evaluation of programs and schools Increase funding on equipment, computers, textbooks, and facilities Class size Increase teacher-to-student ratio More one-on-one time between teachers and students Access to Pre-K programs Standardized testing for students and teachers No Child Left Behind Dress codes Zero tolerance policies Require attendance School voucher program Busing Increase use of volunteers Provide additional safety and protection for teachers and students
Teacher Issues	29.8	Increase pay for teachers Hire more caring teachers Hire better qualified teachers Increase training for teachers Add teachers aides and volunteers to assist teachers Do background checks on teachers before hiring
Student Issues	16.0	Disciplining students in schools Offer additional levels of courses for all students based on their ability Encourage students to become lifelong learners Instill the value of education in students Add tutors -- in school and after-school for students in all subjects Add counselors to help understand and meet needs of troubled students
Curricular Issues	15.3	Back to the basics Teach diversity in philosophy and languages Athletic programs
Parent and Family Issues	4.5	Investigate and consider family-life of individual students Educate the parents Increase parental involvement Parents and teachers work together
Society and Religion	1.2	Teach morality Hire Christian teachers Bring God/Christianity back into schools

4.3. Quality of Education in Tennessee, continued

table. In most cases, however, competing views on the issue emerged. For instance, some respondents advocate additional standardized testing and the regulations associated with the No Child Left Behind Act (NCLB) while others reported that both standardized testing and NCLB should be eliminated.

Despite the fact that more Tennesseans would choose to improve elementary, middle, and high school before any other level, in these open-ended questions, kindergarten received the most attention, with over 800 specific suggestions. Concerns about parent and family involvement and/or support as well as society and religion arose more often in the respondents who focused on high schools than on any other grade level. In all grade-levels, responses relating to curricular issues most often included a cry for “back to the basics” of reading, math, and writing (in that order). Reading was identified 28.3 percent of the time as a subject matter on which to focus, math 24.0 percent, writing and grammar 14.9 percent. One adult respondent suggested that the state “focus more on reading/writing/math – go back to the old school type of learning - back to basics.” Those top three subjects were followed by science (6.4 percent) and a variety of others, including foreign language, diversity, art, communication skills, music, and physical education.

While there appeared to be a general consensus about the *issues* in the state’s educational system that Tennesseans feel should be addressed, there was rarely agreement on how to address or fix them.

4.3. Quality of Education in Tennessee, continued

Most respondents in the high school survey are satisfied with the education they have received so far in Tennessee, with 68 percent responding that they are “very satisfied” or “somewhat satisfied.” There are some significant differences, however, among different

groups of respondents. (See Box 4.1.) Male respondents are slightly less likely to say they are satisfied and more likely to express that they are “very dissatisfied.” Satisfaction also closely correlates to the student’s performance in school. Students earning higher grades tend to be satisfied with their education, while those with lower grades are far more likely to express dissatisfaction. Students from lower-income families are also likely to express that they are dissatisfied with their education; among students who say their family’s

income is “far below average,” nearly one-fourth say they are “somewhat” or “very” dissatisfied with their education. Also, while satisfaction in public schools is still high, responses are not nearly as positive as those from private schools. Almost 85 percent of students from private schools express satisfaction compared to just 68 percent of students from Tennessee’s public schools.

Students who say they lack support from family or teachers are far more likely to express dissatisfaction with their education. Twenty-seven percent of students who say they don’t get support from teachers and administrators express dissatisfaction with their education, compared to less than 10 percent of students who claim they do get such support. Similarly,

Most high school respondents are satisfied with the education they have received so far in Tennessee, but male respondents are more likely than their female counterparts to express that they are “very dissatisfied.”

Box 4.1. The Quality of Education in Tennessee— Characteristics of Students Who Say They Are:	
Satisfied	Dissatisfied
Female	Male
Earning higher grades	Earning lower grades
Higher income families	Lower income families
Support from teachers and administrators	Lack support from teachers and administrators
Support from parent or adult at home	Lack support from parent or adult at home

4.3. Quality of Education in Tennessee, continued

26 percent of students who say they don't get support from parents or other family aren't satisfied with their education, compared to just 12 percent of those who feel supported at home.

The students respond in similar fashion when asked how important their current courses will be later in their life. (See Box 4.2.) Less than 8 percent of respondents say that their current subjects are not important at all, while 39 percent find them very important. Once again, male students respond more negatively than females, with 11 percent finding no importance in their current classes. The respondents' grades make a very large difference in their response to this question; 45 percent of A-students find their courses very important, while less than 16 percent of students with grades below Ds feel this way. More than 40 percent of these low-grade students find their current subjects to be not important at all. Students coming from very high-income or very low-income families are more likely to find their classes unimportant (17 percent and 11 percent, respectively) than their middle-income peers.

Students who are taking advanced or college preparatory classes are more likely to find their courses important than students taking only standard-level classes (45 percent and 36 percent, respectively). Not surprisingly, respondents who plan to continue their education within a year of graduating high school tend to see more importance in their current coursework. Those with no plans to continue are three times as likely to find their subjects unimportant.

**Box 4.2. The Value of Current Coursework in the Future—
Characteristics of Students Who Believe Coursework Is:**

Important	Not Important
Female	Male
Earning higher grades	Earning lower grades
Average income families	Very high- or very low-income families
Taking AP or college-prep courses	Not taking AP or college-prep classes
Plan to continue education within one year	Do not plan to continue education within one year

4.4. Education and Jobs

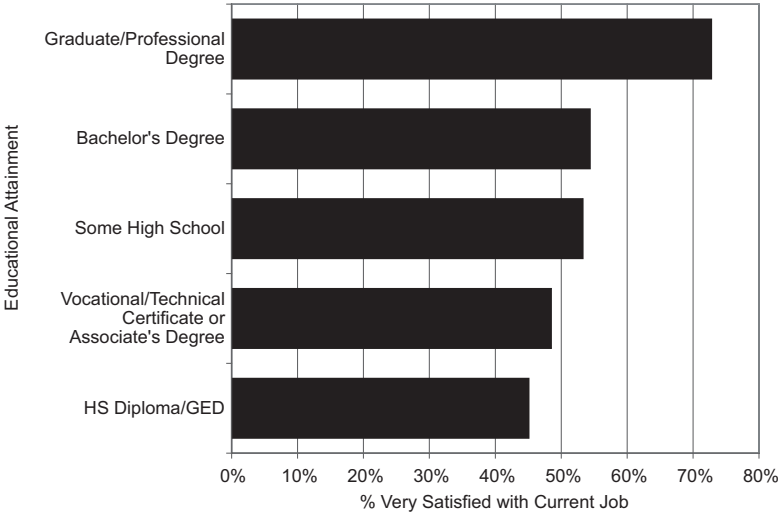
Tennesseans with college degrees tend to be more satisfied with their jobs than those with less education (see Figure 4.9). This is especially true of those with graduate or professional degrees, of whom almost 73 percent say they are “very satisfied” with their job, compared to less than 55 percent of those with a bachelor’s degree. Employed adults with only a high school diploma or GED report that they are neutral or dissatisfied with their jobs more often than any other group.

Nearly two-thirds think that more education would help them get ahead in their career, though only one-third say that more education would lead to more money in their current job.

Ninety-six percent of Tennesseans say that they have sufficient education to perform their jobs well. Most (60 percent) also feel that they are encouraged by their supervisor to get more education, though only 44 percent have employers that offer incentives to do so (see Figure 4.10). Note, however, 40 percent do not feel they are encouraged to get more education. Nearly two-thirds think that more education would help them get ahead in their career, though only one-third of Tennesseans say that more education would lead to more money in their current job. This is consistent across job types, with the exception of teachers, among whom a majority (73 percent) say that they would make more money if they got more education. Thus, many Tennesseans must believe that more education will help them get *different*, better jobs.

Younger Tennesseans tend to feel that they receive more encouragement from a supervisor to pursue education and are more likely to receive more money for getting additional education. Those with higher incomes and more education are also more likely

Figure 4.9. Percent of Employed Individuals Who Are Very Satisfied with Their Jobs, by Educational Attainment



4.4. Education and Jobs, continued

to be encouraged by their employer to pursue further education, but these higher-income Tennesseans are also less likely to believe they will benefit from further education with an increase in pay.

Similarly, Tennesseans with higher incomes are less likely to expect career advancement as a result of further education. Those with incomes under \$50,000 and those under 40 years old are far more likely to expect that education will help them get ahead of where they are today (see Figure 4.11). This makes sense, as those with high incomes or those late in their careers may not see a need for further advancement whether they pursue more education or not.

Figure 4.10. Percent Who Agree with Certain Statements about Continuing Education and Employment

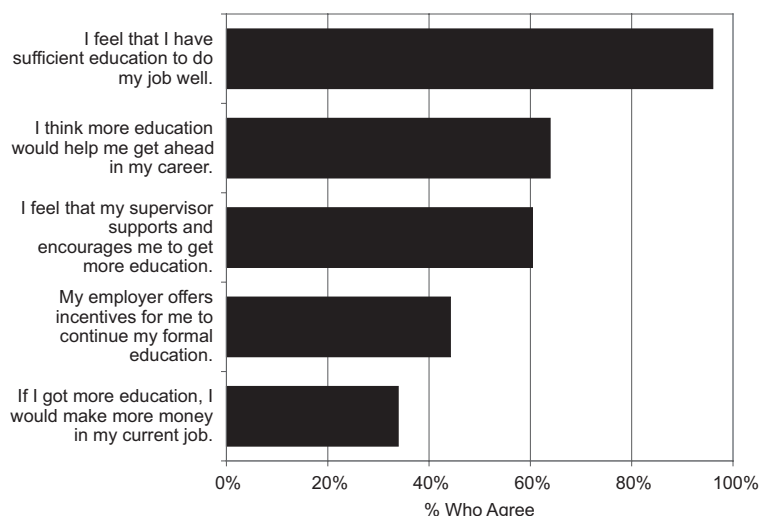
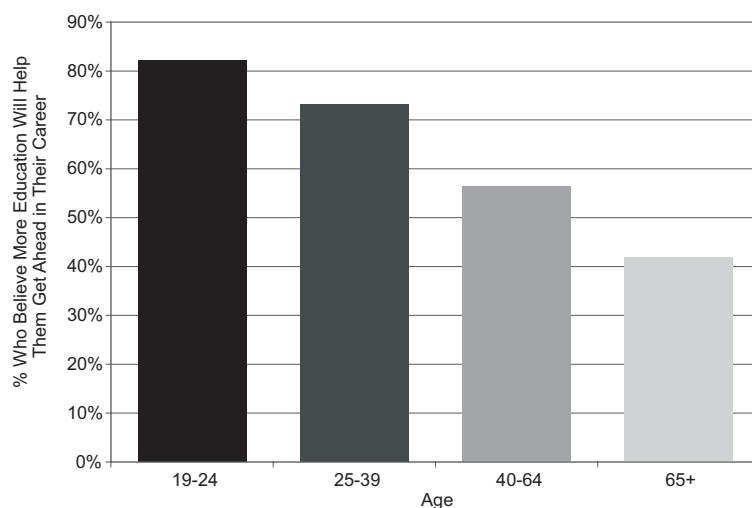


Figure 4.11. Percent Who Believe More Education Will Help Them Get Ahead in Their Career, by Age Group



4.4. Education and Jobs, continued

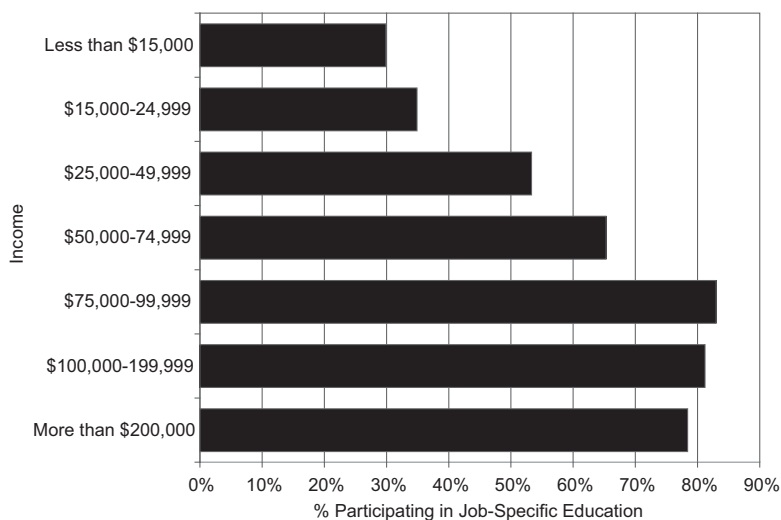
Among employed Tennesseans, about 57 percent participate in informal, continuing education that is specific to their job, including in-house training, professional seminars, and certification courses. This participation varies considerably by education and income; those with more education and higher income are far more likely to participate (see Figure 4.12). The youngest and oldest age groups are also less likely to participate than those between 25 and 64 years old.

When asked to describe what incentive their employer could offer that would improve their ability or desire to continue their education, just over 1,000 respondents provided a variety of suggestions. Some respondents praised the incentives already offered by their employers, and others requested job-related training incentives such as opportunities, money, and time off for training courses, seminars and conferences to acquire job skills specific to their positions, rather than for degree-seeking programs.

About 40 percent indicated that they would need more *money* to continue their education, through tuition reimbursement plans; cash for supplies, books, and computers; education savings plans; and low-interest loans from their employer.

Among the remaining responses, three main themes emerged. First, about 40 percent indicated that they would need more *money* to continue their education, through tuition reimbursement plans; cash for supplies, books, and computers; education savings plans; and low-interest loans from their employer. Some respondents indicated a willingness to absorb some of

Figure 4.12. Percent Who Participate in Job-Specific Education, by Income



4.4. Education and Jobs, continued

the cost, to maintain certain grades in exchange for their tuition being paid, or to guarantee that they would work for that employer for a certain period of time after completion of their degree. Others simply stated that their employer should “pay for it.”

The second recurring theme was *time*. The issue of time took on many forms in the responses, including paid time off to attend classes and more flexible work hours so that they could attend classes during the day or the evenings. Many respondents discussed the challenge of juggling the demands of work and family and seemed to express that work hours would have to be cut before they could continue their education.

The third theme is categorized as *job and career incentives* but can also be viewed as a request that employers reward employees for continuing their education. More than 10 percent suggested that continuing education incentives should involve tying their efforts and accomplishments to particular career events, like promotions, raises, or bonuses.

Many respondents discussed the challenge of juggling the demands of work and family and seemed to express that work hours would have to be cut before they could continue their education.

. . . continuing education incentives should involve tying employees' efforts and accomplishments to particular career events, like promotions, raises, or bonuses.

4.5. Expectations for Educational Attainment

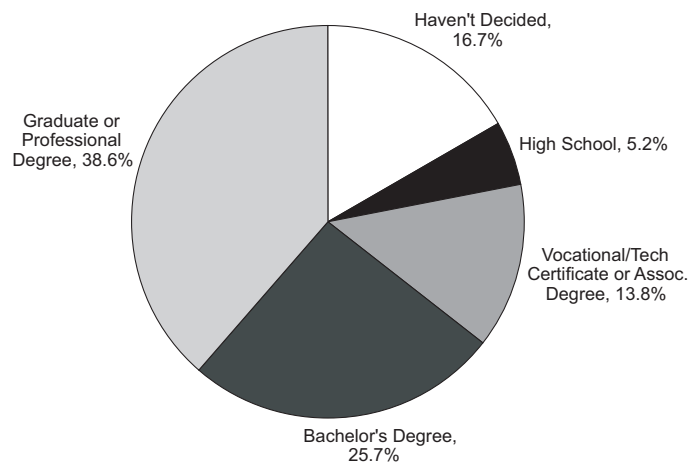
Most students have very high expectations for their educational attainment, with 64 percent expecting to obtain a bachelor's degree or higher (see Figure 4.13).³ Only 5 percent expect their education to stop with a high school diploma. Expectations are a bit higher for female students (of whom 71 percent expect a bachelor's degree or more) than for male students (57 percent). Students attending private schools and students with exceptional grades also have higher expectations. Those with lower grades tend to expect their education to stop after high school or at most with a two-year or technical degree. Students from lower-

income families are also less likely to pursue a college education, with 13 percent expecting to stop after high school. Many students (17 percent) say they haven't decided how much education they plan to obtain; this response is more common among juniors (19 percent) than seniors (13 percent). Among students planning to attend college, nearly one-fourth say they would be the first in their family to do so.

Students from lower-income families are less likely to plan to continue their education after high school, with 13 percent expecting to stop after earning a high school diploma, compared to only 5 percent overall.

Students that say they lack support from parents or teachers also tend to have lower expectations for their educational attainment. The most dramatic difference is between students who have support at home and those who don't. Among the former, only 4 percent expect to stop their education after high school; among the latter, 23 percent have that expectation (see Figure 4.14).

Figure 4.13. Highest Level of Education Students Expect to Achieve in Their Lifetime



3. A national survey of 9th through 12th graders found that 76 percent of 9th through 12th graders plan to attend a four-year college or university at some point after high school. Only 3 percent of the nationwide respondents stated that they were not sure about their plans to attend college, whereas 17 percent of the 11th and 12th graders in the Tennessee survey indicated that they were not sure. The *State of Our Nation's Youth, 2005-2006*, is prepared annually by the Horatio Alger Association of Distinguished Americans. Additional comparisons to the national survey can be found in CBER's full report.

4.5. Expectations for Educational Attainment, continued

With expectations among respondents being so high, it is not surprising that 58 percent plan to begin a degree program (vocational/technical, associate, bachelor, professional program) in their first year after high school. Some students plan to work (19 percent) or take time off (15 percent), while a small number plan to get married (7 percent) or join the military (7 percent).

Based on these responses, almost one-fourth of respondents have no plans to continue their education in their first year after graduating high school, and 17 percent have not decided what they plan to do or choose “other.” This means that many students will need to continue their education at a later date if 64 percent intend to obtain a bachelor’s degree. Students with no immediate plans to continue their education are most commonly male, have low grades, come from low income families (see Figure 4.15), and attend public schools.

Figure 4.14. Highest Level of Education Expected, by Home Support

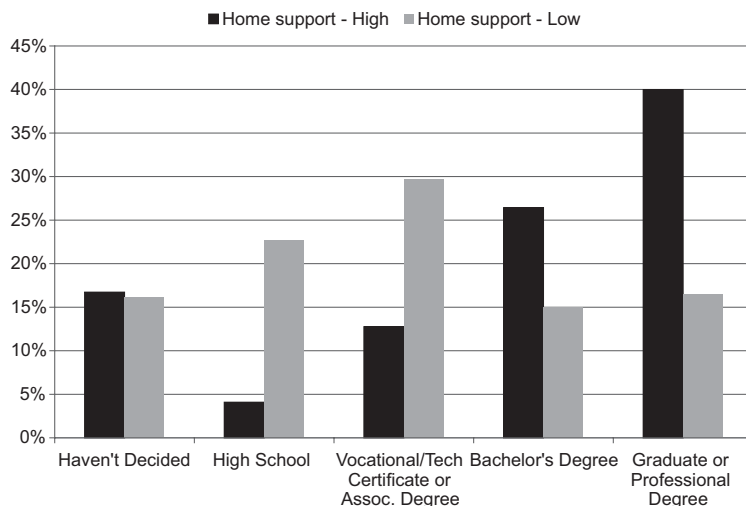
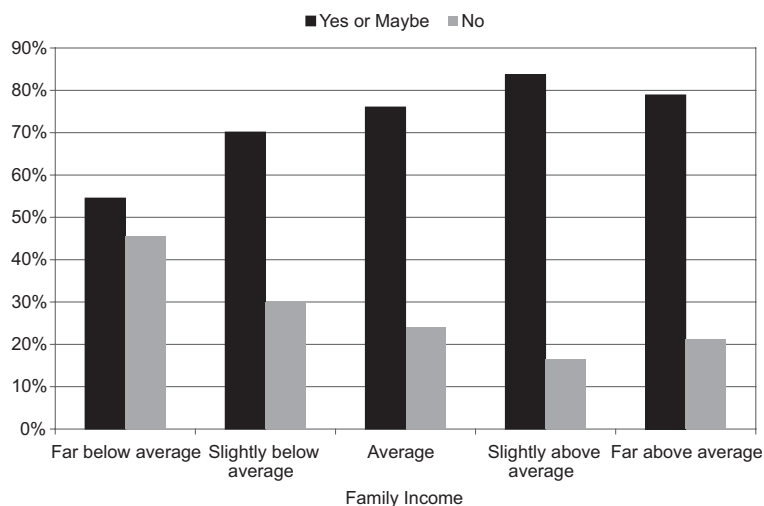


Figure 4.15. Plans for Continuing Education in First Year after High School, by Family Income



4.5. Expectations for Educational Attainment, continued

Among the students who do not plan to attend college, the biggest reason is simply that the student does not like school (see Figure 4.16). Financial issues are also a major concern, with a combined 23 percent of respondents indicating that they won't go because they want to earn money first, that it would cost them too much, or that it would cost their parents too much. However, many students simply haven't thought about continuing their education (19 percent), don't see the point (10 percent), or just have no reason to go to college (1 percent).

Parents in Tennessee generally have high expectations for their children, with almost all expecting their child to complete as much education as they did; in most cases they expect more.

Parents in Tennessee generally have high expectations for their children as well, with almost all expecting their child to complete as much education as they did; in most cases they expect more. More than 80 percent of parents expect their children to get college degrees. Among parents who are college graduates, that number exceeds 90 percent, and among parents with graduate or professional degrees, more than half expect their children to get advanced degrees as well (see Figure 4.17). Expectations also increase for children with higher income parents. Some differences also exist between the three grand divisions, with expectations in West and Middle Tennessee generally being higher than in East Tennessee.

These high expectations by students and parents are inconsistent with the reality that only 24 percent⁴ of Tennessee adults currently have a college degree. Keeping in mind this large discrepancy, it may make more sense to interpret a number of these responses as “hopes” rather than “expectations.”

4. United States Census Bureau, 2004 Current Population Survey.

4.5. Expectations for Educational Attainment, continued

Figure 4.16. High School Juniors' and Seniors' Biggest Reason for Choosing *Not* to Continue Their Education after High School

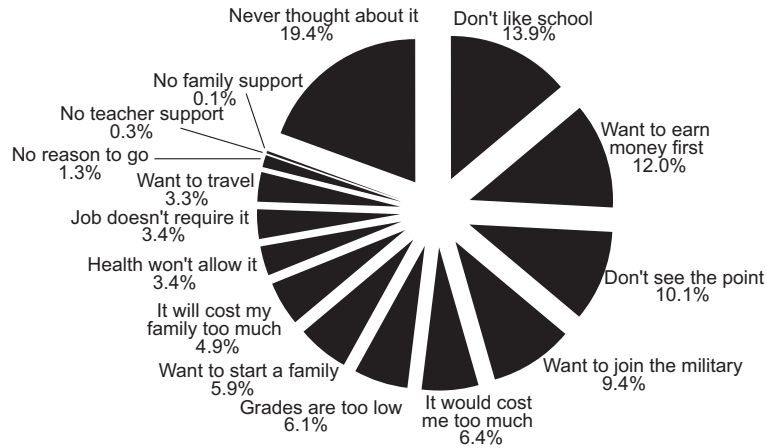
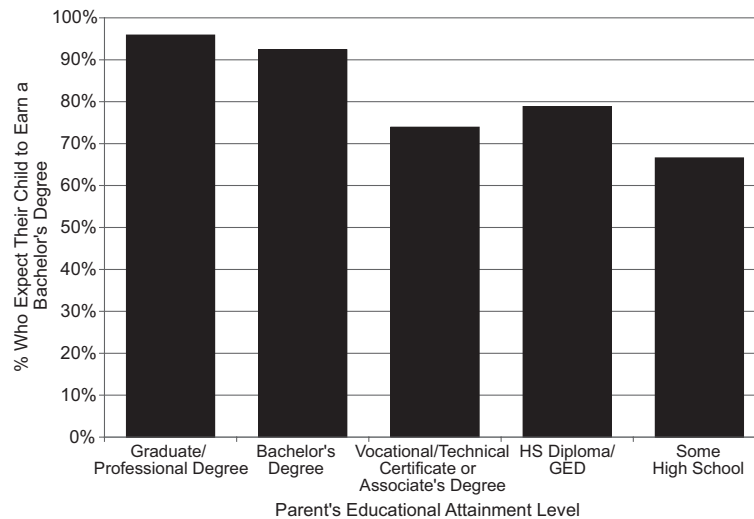


Figure 4.17. Percent of Parents Who Expect Their Child to Earn a Bachelor's Degree, by Parent's Educational Attainment Level



4.6. Location and Financing of Higher Education

More than 70 percent of students who plan to attend college intend to enroll in a college in Tennessee. About 28 percent plan to attend a college in another state, while a small number would like to study abroad. Students in East Tennessee are more likely to stay in-state than students in Middle and West Tennessee.

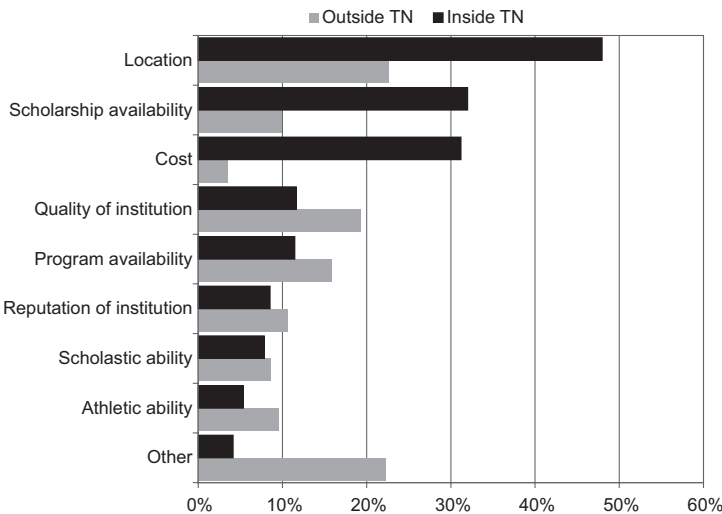
More than one-third of parents expecting their children to attend college would prefer to see them remain in-state, while about half have no preference. Less than 10 percent indicate that they would prefer to see their child attend college out-of-state, and 54 percent of those indicate a specific institution outside of Tennessee that they would prefer their child attend.

More than 70 percent of students who plan to attend college intend to enroll in a college in Tennessee.
Students in East Tennessee are more likely to stay in-state.

For parents who prefer their child stay in-state, quality and reputation of the institution as well as program and scholarship ability are listed as the most important reasons. However, students, who intend to stay in state cite location, scholarships, and cost as the primary reasons (see Figure 4.18). Parents list the same reasons (quality, reputation, and program and scholarship availability) for wanting their child to leave the state. Students say that location, quality of institution, and program availability are their biggest reasons for wanting to leave the state.

Considering the very high proportion of Tennessee students expecting to go to college, the financing of higher education is a major concern for parents and students alike. Unfortunately a large number of adult Tennesseans are uninformed, with about one-third saying they do not have enough information about cost to start planning the financing. That number is significantly higher for younger Tennesseans and those with less education or lower income (see Figure 4.19). Additionally, Middle Tennesseans are a little more likely to say they are well-informed than their East and West counterparts.

Figure 4.18. Students’ Reasons for Attending College Inside or Outside of Tennessee



4.6. Location and Financing of Higher Education, continued

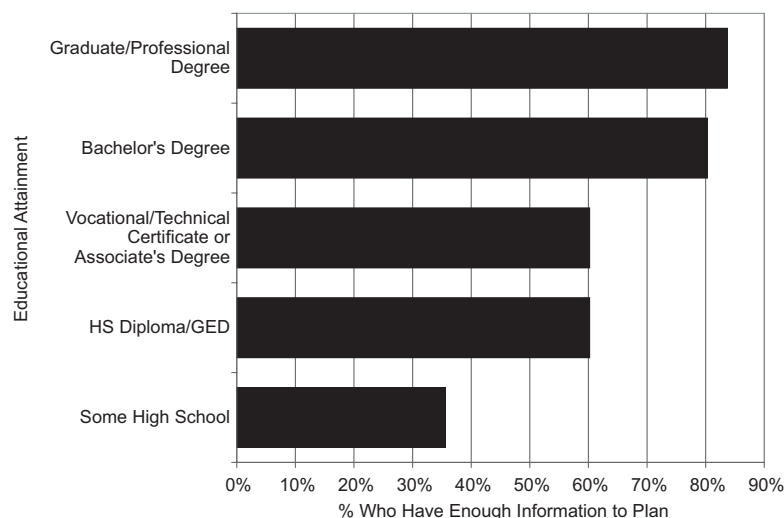
While one-third of adults indicate that they do not have enough information about the cost of their child's future education, 70 percent say that they have already started saving. Nearly 58 percent of parents expect their own savings or investments to pay, at least in part, for their child's college education. Almost 43 percent of parents and 37 percent of students expect help from academic scholarships, and 33 percent of parents and 37 percent of students expect to receive a lottery scholarship from the state of Tennessee. About one-fourth of parents and students plan to take out student loans to help pay for higher education.

While one-third of adults indicate that they do not have enough information about the cost of their child's future education, 70 percent say that they have already started saving.

Parents say that tax-free savings (34 percent) and tax deductibility of tuition (29 percent) would be the best incentives to encourage them to save more for their child's education. Most are unaware that such incentives are available; less than one-third are aware of the HOPE tax credit and 529 savings plans, less than 20 percent are aware of the Lifetime Learning tax credit and Tennessee's BEST 529 Prepaid plan, and less than 10 percent are aware of Tennessee's BEST 529 Savings plan and Coverdell education savings plans. Even among those who are aware, utilization of these plans is quite low, with only 21 percent using a 529 plan and even fewer taking advantage of the other listed incentives.

Parents say that tax-free savings (34 percent) and tax deductibility of tuition (29 percent) would be the best incentives to encourage them to save more for their child's education.

Figure 4.19. Percent Who Feel Informed Enough to Plan for Child's Future Education, by Educational Attainment



4.7. A Glimpse at Policy Issues and Questions

Today's economy challenges Tennessee's policymakers with an evolving labor market, characterized by sustained declines in manufacturing, the growth of other sectors like services, shifts in the occupation mix, and the aging of the workforce. The fact that Tennessee's workforce is not as well educated as in many neighboring states or the U.S. as a whole hampers the state's economic development prospects and places many at risk of losing ground relative to workers elsewhere. An education is a constitutionally provided right of every child in Tennessee, and our economic future depends on the state of Tennessee being strongly committed to providing high quality education.

While policymakers and educators recognize the contribution that education and lifelong learning make to both the economy as a whole and to the individual, it is evident that many Tennesseans do not fully appreciate the value of education. If it is the goal of government to encourage citizens to reach their educational potential, to engage in lifelong learning for themselves, and to pass the value of education on to their children, certain results of this research might enable policymakers to better focus their efforts. What follows is certainly not an exhaustive list of policy implications that could be drawn from the results of these surveys but rather a glimpse of some key policy issues and questions.

Tennessee's Youth

Increasing the educational attainment of Tennessee's youth is an essential step in enhancing Tennessee's long-term economic potential. One way to expand participation in education may be to change some of the ingrained attitudes toward school and education that are held by young men and women across the state.

Young men generally have a more negative attitude about their school, their classes, and the value of education overall than young women, and they are less likely to plan for a college education. The phenomena reported by Tennessee's youth in this survey mirrors national data—since 1987 young men age 18 to 24 are enrolling in college in fewer numbers than young women the same age.⁵ One reason might be that men dominate occupations that often require lower levels of education such as farming, fishing, and forestry; construction and extraction; installation, maintenance and repair; production, transportation and material moving; and protective services, and women held half of all management, professional, and related occupations in 2004.⁶ This gradual shift in the gender makeup of the labor force might be exacerbated by young men's less positive attitude toward education and indications that they have less interest in pursuing postsecondary education than their female counterparts.

On the other hand, high school juniors and seniors (regardless of gender) who feel that they have a close relationship with and support from even one teacher or administrator at their school are more likely to plan to continue their education after high school. Creating an environment where teachers and administrators can support each of their students appears to be an important way to increase a child's desire to pursue postsecondary education.

5. U.S. Census Bureau, Current Population Survey, Table A-5a. The Population 14 to 24 Years Old by High School Graduate Status, College Enrollment, Attainment, Sex, Race, and Hispanic Origin: October 1967 to 2004.

6. Bureau of Labor Statistics. Employed Persons by occupation, sex, and age, <<http://bls.gov/cps/cpsat9.pdf>> and Women in the Labor Force, <<http://stats.bls.gov/cps/wlf-intro-2005.pdf>>.

4.7. A Glimpse at Policy Issues and Questions, continued

Similarly—and at even greater levels—high school juniors and seniors who feel that they have support at home⁷ and who see the value of their high school curriculum for their future are more likely to plan to continue their education. In fact, students who report low support at home are **six times** more likely to say that education is **not** important to getting a job, having more job choices, and earning more money. Certainly, legislating parental involvement in their child's education is difficult, at best, but it is possible that improving adults' attitude about the value of education may also improve their children's attitude. The results of the adult survey, then—particularly the responses of adults with school-aged children—might shed some light on areas for improvement and warrant further exploration.

Tennessee's Adults

The knowledge and skills gained through lifelong learning are critical not only to personal fulfillment but also to the economy as a whole. Yet, many adults in Tennessee do not appear to recognize its importance to their ability to transition with the economy, to attain higher standards of living for themselves and their families, or even to advance in their careers. It is in the state's best interest to investigate ways to avoid the types of problems that are occurring now, where displaced workers from the textile and apparel industries find it difficult to transition into other employment because they are not prepared to operate in the new knowledge-based economy.

Where might the focus lie? Parents with lower education levels themselves (some high school, a high school diploma or a GED) and lower incomes have lower expectations for their children. In fact, among adults who did not graduate from high school, only 67 percent expect their children to earn a bachelor's degree—compared to 92 percent for adults who earned a bachelor's degree themselves. Compounding the problem is that the less education an adult has attained, the less they believe education is important to achieving their life's goals.

How do we reach these adults? Adults most often cite three issues that challenge the education system overall or their own ability to pursue additional education: money, time, and job/career incentives. A close examination of the individual responses indicates that Tennesseans are often unaware of or not participating in existing programs that may assist them.

- For instance, when it comes to financing their child's education, almost one-third of parents state that they do not have enough information about cost to start planning. Also along these lines, only 33 percent of parents and 37 percent of youth expect to receive a lottery scholarship from the state despite the fact that lottery scholarships are available to all graduating high school seniors with a 3.0 grade point average who attend a public or private institution in Tennessee and that lottery-funded grants are available to students attending technical schools.⁸

7. Students with support at home indicate that they have at least one parent or adult at home who expects them to follow the rules, is interested in their school work, believes that they will be a success, wants them to do their best, and wants them to go to college or some other school.

8. Lottery Tennessee Web Site. <http://www.tnlottery.com/wheremoneygoes/where_benefits.aspx>.

4.7. A Glimpse at Policy Issues and Questions, continued

- In terms of job and career incentives, 60 percent of employed adults say that their supervisor encourages them to obtain more education, and 44 percent of their employers offer incentives to continue their education. Yet only 42 percent of those employed adults who are offered incentives indicate that they are taking advantage of them—for themselves or for their family. Further, 96 percent of employed adults say that they have sufficient education to perform well in their jobs.

Based on the results of the survey, then, *information* is one key way to influence Tennesseans' attitudes about education and to improve their understanding of its value to their lives. To the extent that attitudes are reflected in behaviors, improving youth and adult attitudes about education should lead to increased participation in lifelong learning.

The state's Passport to Opportunity public awareness campaign, announced in December 2005, takes a step toward accomplishing this goal. The Passport to Opportunity program, made possible through a grant from the Bill & Melinda Gates Foundation in partnership with the Southern Governors Association, the Southern Regional Education Board, and the Go Alliance, is designed to provide students and families with information, guidance, and other resources to help them plan for college, post-secondary training, or work.⁹ In addition to future-driven initiatives that focus on youth and their parents, the state might consider programs that would encourage businesses to increase participation in and provide incentives for continuing education efforts among employed adults, particularly employees working in low-wage jobs.

Improving the environments in schools and at home, providing information, and establishing partnerships with employers in the state are just three ways to tackle a very substantial problem; there are certainly other ways. It is evident, however, that to reverse the weaker economic growth that has perplexed the state during the past decade, the state needs to improve Tennesseans' attitudes about the value of education and then formulate an action plan for providing enhanced educational and lifelong learning opportunities to all of its citizens.

9. For more information about the Passport to Opportunity public awareness campaign, visit the Tennessee Department of Education Web site at <<http://www.tennessee.gov/education/news/nr/2005/nr051221.htm>>.

Appendix A: Forecast Data

In this section...

Appendix A: Forecast Data

<i>Quarterly</i>	<i>QF1 to QF20 (2005Q4 to 2008Q1)</i>
<i>Annual</i>	<i>AF1 to AF15 (2005 to 2015)</i>

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Table 1:	Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted	QF1
Table 2:	Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted	QF2
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Table 4:	Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)	QF4
Table 5:	Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)	QF5
Table 6:	Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)	QF6
Table 7:	Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)	QF7
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Table 12:	Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)	QF12
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Table 18:	Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars)	QF18
Table 19:	Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)	QF19
Table 20:	Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)	QF20

Annual Forecast Tables

Table 1:	Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted	AF1
Table 2:	Selected Per Capita U.S. and Tennessee Economic Indicators	AF2
Table 3:	Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)	AF3
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Table 14:	Tennessee Durable Goods Manufacturing Gross State Product (millions of 2000 dollars)	AF14
Table 15:	Tennessee Nondurable Goods Manufacturing Gross State Product (millions of 2000 dollars)	AF15

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
US GDP (Bil2000\$) SAAR.....	11089.2	11202.3	11288.7	11395.2	11483.2	11574.1	11654.1	11721.5	11799.3	11876.8	11961.1	12044.0	11144.9	11526.6	11839.7
% Chg Prev Qtr SAAR.....	3.31	4.14	3.12	3.83	3.13	3.20	2.79	2.33	2.68	2.65	2.87	2.80	3.62	3.43	2.72
% Chg Same Qtr Last Yr.....	3.60	3.64	3.59	3.60	3.55	3.32	3.24	2.86	2.75	2.62	2.63	2.75	3.62	3.43	2.72
US GDP (Bil\$) SAAR.....	12378.0	12605.7	12772.1	12987.3	13165.2	13328.4	13488.9	13635.7	13794.7	13952.7	14124.4	14304.7	12488.7	13242.4	13876.9
% Chg Prev Qtr SAAR.....	6.01	7.56	5.39	6.91	5.59	5.05	4.91	4.42	4.75	4.66	5.01	5.21	6.43	6.04	4.79
% Chg Same Qtr Last Yr.....	6.10	6.66	6.48	6.46	6.36	5.73	5.61	4.99	4.78	4.68	4.71	4.91	6.43	6.04	4.79
CHAINED PRICE INDEX, GDP (2000=100.0).....	111.7	112.6	113.1	114.0	114.6	115.2	115.7	116.3	116.9	117.5	118.1	118.8	112.1	114.9	117.2
% Chg Prev Qtr SAAR.....	2.57	3.31	2.05	2.97	2.39	1.79	2.06	2.04	2.01	1.96	2.08	2.34	2.73	2.50	2.02
% Chg Same Qtr Last Yr.....	2.46	2.92	2.75	2.72	2.68	2.30	2.30	2.07	1.97	2.02	2.02	2.10	2.73	2.50	2.02
US PERS CONSUMP DEFL (2000=100.0).....	110.8	111.8	112.6	113.1	113.6	114.1	114.7	115.3	115.9	116.5	117.1	117.7	111.3	113.9	116.2
% Chg Prev Qtr SAAR.....	3.30	3.71	2.73	1.82	1.76	1.81	2.14	1.92	2.13	2.08	2.18	2.15	2.83	2.32	2.01
% Chg Same Qtr Last Yr.....	2.54	3.10	3.00	2.89	2.50	2.03	1.88	1.91	2.00	2.07	2.08	2.13	2.83	2.32	2.01
TN PERSONAL INCOME (MIL2000\$) SAAR.....	167042	166610	168934	169873	171991	173153	175412	176608	178285	179570	181892	183096	167070	172607	179089
% Chg Prev Qtr SAAR.....	3.29	-1.03	5.70	2.24	5.08	2.73	5.32	2.76	3.85	2.91	5.27	2.67	2.83	3.31	3.76
% Chg Same Qtr Last Yr.....	3.62	2.16	2.07	2.52	2.96	3.93	3.83	3.96	3.66	3.71	3.69	3.67	2.83	3.31	3.76
US PERSONAL INCOME (BIL2000\$) SAAR.....	9190	9147	9279	9370	9475	9585	9673	9761	9842	9920	10001	10094	9195	9526	9881
% Chg Prev Qtr SAAR.....	1.19	-1.85	5.90	3.95	4.58	4.74	3.70	3.68	3.36	3.23	3.29	3.78	2.48	3.60	3.73
% Chg Same Qtr Last Yr.....	3.32	2.00	1.20	2.26	3.10	4.79	4.24	4.17	3.87	3.49	3.39	3.41	2.48	3.60	3.73
TN PERSONAL INCOME (MIL\$) SAAR.....	185136	186293	189899	191953	195118	197117	200523	202707	205562	207982	211678	214214	185872	196178	206982
% Chg Prev Qtr SAAR.....	6.70	2.52	7.97	4.40	6.76	4.16	7.09	4.43	5.75	4.79	7.30	4.88	5.68	5.54	5.51
% Chg Same Qtr Last Yr.....	6.25	5.30	4.95	5.38	5.39	5.81	5.59	5.60	5.35	5.51	5.56	5.68	5.68	5.54	5.51
US PERSONAL INCOME (BIL\$) SAAR.....	10186	10231	10449	10598	10764	10939	11097	11251	11404	11554	11711	11883	10235	10850	11480
% Chg Prev Qtr SAAR.....	4.53	1.79	8.79	5.85	6.42	6.64	5.92	5.67	5.56	5.37	5.54	6.01	5.37	6.01	5.81
% Chg Same Qtr Last Yr.....	5.94	5.16	4.23	5.21	5.68	6.92	6.21	6.16	5.95	5.63	5.53	5.62	5.37	6.01	5.81
TN NONFARM JOBS (THOUS).....	2720.9	2725.6	2739.6	2748.9	2757.1	2764.6	2774.1	2782.4	2791.1	2799.4	2807.8	2816.6	2727.2	2761.2	2795.2
% Chg Prev Qtr SAAR.....	-0.29	0.70	2.08	1.36	1.20	1.09	1.38	1.20	1.25	1.19	1.21	1.27	0.97	1.24	1.23
% Chg Same Qtr Last Yr.....	0.82	0.91	1.00	0.96	1.33	1.43	1.26	1.22	1.23	1.26	1.21	1.23	0.97	1.24	1.23
US NONFARM JOBS (MIL).....	133.4	134.0	134.3	134.8	135.4	135.9	136.5	136.9	137.4	137.8	138.2	138.5	133.6	135.6	137.6
% Chg Prev Qtr SAAR.....	1.87	1.63	0.95	1.66	1.59	1.57	1.71	1.37	1.28	1.16	1.12	1.07	1.64	1.51	1.41
% Chg Same Qtr Last Yr.....	1.60	1.70	1.50	1.53	1.46	1.44	1.63	1.56	1.48	1.38	1.23	1.16	1.64	1.51	1.41
TN UNEMPLOYMENT RATE (%).....	6.0	5.3	5.3	5.3	5.2	5.3	5.3	5.3	5.2	5.2	5.2	5.3	5.6	5.3	5.3
US UNEMPLOYMENT RATE (%).....	5.1	5.0	5.0	4.9	4.8	4.8	4.8	4.9	4.9	5.0	5.0	5.0	5.1	4.8	4.9
BANK PRIME INTEREST RATE (%).....	5.9	6.4	7.0	7.4	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	6.2	7.7	7.8

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TN MFG JOBS (THOUS).....	411.7	410.6	410.3	411.6	412.2	411.9	411.4	412.0	412.5	413.0	413.5	413.7	411.1	411.8	412.8
% Chg Prev Qtr SAAR.....	-0.05	-1.00	-0.31	1.27	0.62	-0.28	-0.57	0.61	0.53	0.50	0.49	0.12	-0.10	0.17	0.24
% Chg Same Qtr Last Yr.....	-0.07	-0.27	-0.43	-0.03	0.14	0.32	0.26	0.09	0.07	0.27	0.53	0.41	-0.10	0.17	0.24
US MFG JOBS (MIL).....	14.3	14.3	14.3	14.3	14.3	14.2	14.1	14.1	14.1	14.1	14.1	14.0	14.3	14.2	14.1
% Chg Prev Qtr SAAR.....	-0.61	-0.96	0.34	1.30	-0.60	-2.78	-1.30	-0.16	-1.30	-0.68	-0.55	-0.39	-0.31	-0.32	-1.04
% Chg Same Qtr Last Yr.....	-0.32	-0.66	-0.48	0.01	0.02	-0.45	-0.85	-1.21	-1.39	-0.86	-0.67	-0.73	-0.31	-0.32	-1.04
TN TAXABLE SALES (MIL2000\$).....	19371	19526	19734	19718	20011	20149	20374	20553	20706	20838	21034	21210	77973	80253	83130
% Chg Prev Qtr SAAR.....	0.60	3.25	4.32	-0.32	6.07	2.80	4.54	3.55	3.01	2.58	3.83	3.38	3.77	2.92	3.59
% Chg Same Qtr Last Yr.....	3.84	4.00	4.32	1.95	3.31	3.19	3.24	4.23	3.47	3.42	3.24	3.20	3.77	2.92	3.59
TN TAXABLE SALES (MIL\$).....	21469	21833	22183	22281	22702	22938	23291	23590	23874	24135	24479	24815	86749	91212	96077
% Chg Prev Qtr SAAR.....	3.92	6.96	6.57	1.78	7.77	4.23	6.30	5.23	4.90	4.45	5.82	5.60	6.65	5.15	5.33
% Chg Same Qtr Last Yr.....	6.47	7.19	7.26	4.79	5.74	5.06	4.99	5.87	5.16	5.22	5.10	5.19	6.65	5.15	5.33
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	33560	33455	33429	33633	33893	34141	34338	34491	34619	34770	34960	35097	33470	34001	34710
% Chg Prev Qtr SAAR.....	1.48	-1.25	-0.31	2.47	3.13	2.95	2.33	1.79	1.50	1.76	2.21	1.57	1.71	1.59	2.08
% Chg Same Qtr Last Yr.....	3.14	0.85	-0.24	0.59	0.99	2.05	2.72	2.55	2.14	1.84	1.81	1.76	1.71	1.59	2.08
TN AVG ANNUAL WAGE, NONFARM (\$).....	37196	37408	37578	38005	38451	38866	39253	39588	39916	40272	40685	41062	37235	38644	40115
% Chg Prev Qtr SAAR.....	4.83	2.30	1.83	4.63	4.78	4.39	4.05	3.45	3.36	3.61	4.17	3.75	4.52	3.78	3.81
% Chg Same Qtr Last Yr.....	5.75	3.95	2.58	3.39	3.37	3.90	4.46	4.16	3.81	3.62	3.65	3.72	4.52	3.78	3.81

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
US GDP (2000\$) SAAR.....	37406	37702	37907	38178	38387	38604	38785	38923	39094	39265	39457	39645	37551	38489	39185
% Chg Prev Qtr SAAR.....	2.37	3.20	2.19	2.90	2.20	2.29	1.88	1.43	1.78	1.75	1.98	1.91	2.68	2.50	1.81
% Chg Same Qtr Last Yr.....	2.66	2.70	2.66	2.67	2.62	2.39	2.32	1.95	1.84	1.71	1.73	1.86	2.68	2.50	1.81
US GDP (\$) SAAR.....	41753	42425	42888	43512	44009	44456	44891	45279	45706	46128	46594	47086	42079	44218	45928
% Chg Prev Qtr SAAR.....	5.05	6.59	4.44	5.95	4.65	4.12	3.98	3.50	3.82	3.75	4.10	4.30	5.46	5.09	3.87
% Chg Same Qtr Last Yr.....	5.14	5.69	5.51	5.50	5.40	4.79	4.67	4.06	3.85	3.76	3.79	3.99	5.46	5.09	3.87
TN PERSONAL INCOME (2000\$) SAAR....	28002	27868	28194	28289	28578	28708	29019	29153	29366	29513	29829	29961	27979	28649	29465
% Chg Prev Qtr SAAR.....	2.18	-1.90	4.77	1.34	4.16	1.83	4.40	1.86	2.95	2.02	4.36	1.78	1.77	2.39	2.85
% Chg Same Qtr Last Yr.....	2.50	1.11	1.07	1.57	2.06	3.02	2.93	3.06	2.75	2.80	2.79	2.77	1.77	2.39	2.85
US PERSONAL INCOME (2000\$) SAAR....	31000	30786	31159	31392	31674	31971	32192	32412	32608	32796	32990	33225	30981	31808	32702
% Chg Prev Qtr SAAR.....	0.28	-2.74	4.94	3.02	3.64	3.81	2.78	2.76	2.45	2.32	2.39	2.88	1.55	2.67	2.81
% Chg Same Qtr Last Yr.....	2.38	1.07	0.28	1.33	2.17	3.85	3.31	3.25	2.95	2.58	2.48	2.51	1.55	2.67	2.81
TN PERSONAL INCOME (\$) SAAR.....	31035	31160	31693	31966	32421	32681	33173	33461	33858	34182	34714	35054	31127	32560	34054
% Chg Prev Qtr SAAR.....	5.55	1.62	7.02	3.48	5.82	3.25	6.16	3.52	4.83	3.88	6.37	3.97	4.59	4.60	4.59
% Chg Same Qtr Last Yr.....	5.10	4.22	3.92	4.40	4.46	4.88	4.67	4.68	4.43	4.59	4.64	4.76	4.59	4.60	4.59
US PERSONAL INCOME (\$) SAAR.....	34358	34433	35086	35508	35983	36485	36931	37361	37785	38199	38633	39116	34484	36228	37996
% Chg Prev Qtr SAAR.....	3.59	0.87	7.81	4.90	5.47	5.69	4.98	4.74	4.62	4.45	4.62	5.10	4.41	5.06	4.88
% Chg Same Qtr Last Yr.....	4.98	4.20	3.29	4.26	4.73	5.96	5.26	5.22	5.01	4.70	4.61	4.70	4.41	5.06	4.88
TN TAXABLE SALES (2000\$).....	3247	3266	3294	3284	3325	3341	3371	3393	3410	3425	3449	3471	13058	13320	13677
% Chg Prev Qtr SAAR.....	-0.48	2.34	3.41	-1.20	5.14	1.90	3.63	2.64	2.12	1.68	2.92	2.49	2.70	2.01	2.68
% Chg Same Qtr Last Yr.....	2.72	2.93	3.30	1.00	2.40	2.29	2.34	3.32	2.57	2.51	2.34	2.30	2.70	2.01	2.68
TN TAXABLE SALES (\$).....	3599	3652	3702	3710	3772	3803	3853	3894	3932	3967	4014	4061	14527	15139	15807
% Chg Prev Qtr SAAR.....	2.81	6.02	5.63	0.89	6.82	3.32	5.37	4.32	3.99	3.54	4.91	4.69	5.55	4.21	4.42
% Chg Same Qtr Last Yr.....	5.32	6.09	6.21	3.81	4.81	4.14	4.07	4.95	4.24	4.30	4.19	4.28	5.55	4.21	4.42

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL PERSONAL INCOME.....	167042	166610	168934	169873	171991	173153	175412	176608	178285	179570	181892	183096	167070	172607	179089
% Chg Prev Qtr SAAR.....	3.29	-1.03	5.70	2.24	5.08	2.73	5.32	2.76	3.85	2.91	5.27	2.67	2.83	3.31	3.76
% Chg Same Qtr Last Yr.....	3.62	2.16	2.07	2.52	2.96	3.93	3.83	3.96	3.66	3.71	3.69	3.67	2.83	3.31	3.76
WAGES AND SALARIES.....	92121	91977	92391	93277	94288	95244	96133	96863	97538	98266	99112	99824	92092	94735	97945
% Chg Prev Qtr SAAR.....	1.06	-0.63	1.81	3.89	4.41	4.12	3.79	3.07	2.82	3.02	3.49	2.91	2.67	2.87	3.39
% Chg Same Qtr Last Yr.....	3.95	1.73	0.75	1.52	2.35	3.55	4.05	3.84	3.45	3.17	3.10	3.06	2.67	2.87	3.39
OTHER LABOR INCOME.....	22459	22489	22765	23153	23377	23540	23659	23941	24314	24553	24913	25100	22510	23432	24430
% Chg Prev Qtr SAAR.....	2.40	0.53	4.99	7.00	3.92	2.83	2.03	4.85	6.39	3.99	6.00	3.04	3.86	4.10	4.26
% Chg Same Qtr Last Yr.....	4.36	3.57	3.82	3.70	4.08	4.67	3.93	3.40	4.01	4.30	5.30	4.84	3.86	4.10	4.26
PROPRIETORS INCOME.....	20239	20256	20857	20690	21216	21521	22031	22066	22377	22875	23392	23160	20230	21364	22678
% Chg Prev Qtr SAAR.....	14.44	0.34	12.41	-3.17	10.58	5.87	9.81	0.65	5.74	9.22	9.34	-3.91	4.96	5.61	6.15
% Chg Same Qtr Last Yr.....	4.66	4.03	7.33	5.73	4.83	6.25	5.63	6.65	5.47	6.29	6.18	4.95	4.96	5.61	6.15
RENT, INTEREST, DIVIDENDS.....	18581	18495	19378	18833	18765	18609	18867	18910	19006	19064	19241	19264	18737	18768	19055
% Chg Prev Qtr SAAR.....	1.87	-1.84	20.51	-10.79	-1.43	-3.28	5.65	0.91	2.06	1.23	3.75	0.48	-1.32	0.16	1.53
% Chg Same Qtr Last Yr.....	-1.08	-1.23	-0.70	1.82	0.99	0.62	-2.64	0.41	1.29	2.45	1.98	1.87	-1.32	0.16	1.53
TRANSFER PAYMENTS.....	29221	28885	29144	29726	30286	30314	30759	31086	31459	31556	31967	32427	29065	30271	31517
% Chg Prev Qtr SAAR.....	2.93	-4.52	3.64	8.23	7.75	0.37	6.00	4.31	4.89	1.24	5.31	5.88	3.47	4.15	4.11
% Chg Same Qtr Last Yr.....	4.19	2.74	2.61	2.47	3.65	4.95	5.54	4.57	3.87	4.10	3.93	4.31	3.47	4.15	4.11
LESS: PERS CONT FOR SOC INS.....	14184	14115	14131	14364	14491	14644	14591	14789	14937	15265	15241	15179	14155	14522	15058
% Chg Prev Qtr SAAR.....	-0.23	-1.94	0.48	6.74	3.60	4.27	-1.44	5.54	4.08	9.08	-0.64	-1.63	2.11	2.59	3.69
% Chg Same Qtr Last Yr.....	3.27	1.32	0.61	1.21	2.17	3.75	3.25	2.96	3.08	4.24	4.46	2.64	2.11	2.59	3.69
RESIDENCE ADJUSTMENT.....	-1396	-1376	-1469	-1441	-1449	-1431	-1446	-1468	-1472	-1479	-1491	-1500	-1409	-1442	-1477
% Chg Prev Qtr SAAR.....	0.65	-5.45	29.77	-7.34	2.19	-4.81	4.06	6.33	1.01	1.92	3.42	2.25	1.20	2.36	2.47
% Chg Same Qtr Last Yr.....	1.87	-3.17	2.82	3.43	3.82	4.00	-1.59	1.86	1.56	3.31	3.15	2.15	1.20	2.36	2.47
PER CAPITA PERSONAL INCOME (\$).	28002	27868	28194	28289	28578	28708	29019	29153	29366	29513	29829	29961	27979	28649	29465
% Chg Prev Qtr SAAR.....	2.18	-1.90	4.77	1.34	4.16	1.83	4.40	1.86	2.95	2.02	4.36	1.78	1.77	2.39	2.85
% Chg Same Qtr Last Yr.....	2.50	1.11	1.07	1.57	2.06	3.02	2.93	3.06	2.75	2.80	2.79	2.77	1.77	2.39	2.85

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL PERSONAL INCOME.....	185136	186293	189899	191953	195118	197117	200523	202707	205562	207982	211678	214214	185872	196178	206982
% Chg Prev Qtr SAAR.....	6.70	2.52	7.97	4.40	6.76	4.16	7.09	4.43	5.75	4.79	7.30	4.88	5.68	5.54	5.51
% Chg Same Qtr Last Yr.....	6.25	5.30	4.95	5.38	5.39	5.81	5.59	5.60	5.35	5.51	5.56	5.68	5.68	5.54	5.51
WAGES AND SALARIES.....	102100	102843	103856	105401	106966	108425	109895	111177	112461	113813	115342	116790	102452	107672	113198
% Chg Prev Qtr SAAR.....	4.39	2.94	4.00	6.08	6.07	5.57	5.53	4.75	4.70	4.90	5.48	5.12	5.50	5.09	5.13
% Chg Same Qtr Last Yr.....	6.58	4.86	3.59	4.35	4.77	5.43	5.81	5.48	5.14	4.97	4.96	5.05	5.50	5.09	5.13
OTHER LABOR INCOME.....	24892	25146	25590	26163	26520	26798	27046	27478	28034	28438	28993	29366	25043	26632	28236
% Chg Prev Qtr SAAR.....	5.78	4.14	7.25	9.26	5.58	4.26	3.75	6.55	8.34	5.89	8.04	5.25	6.74	6.34	6.02
% Chg Same Qtr Last Yr.....	7.01	6.75	6.74	6.59	6.54	6.57	5.69	5.03	5.71	6.12	7.20	6.87	6.74	6.34	6.02
PROPRIETORS INCOME.....	22431	22649	23445	23379	24069	24500	25184	25327	25800	26495	27223	27096	22509	24283	26211
% Chg Prev Qtr SAAR.....	18.21	3.94	14.82	-1.13	12.35	7.35	11.66	2.29	7.68	11.21	11.45	-1.85	7.88	7.88	7.94
% Chg Same Qtr Last Yr.....	7.32	7.22	10.36	8.68	7.30	8.17	7.42	8.33	7.19	8.14	8.09	6.98	7.88	7.88	7.94
RENT, INTEREST, DIVIDENDS.....	20594	20680	21783	21281	21288	21185	21567	21704	21914	22081	22391	22537	20848	21330	22022
% Chg Prev Qtr SAAR.....	5.23	1.68	23.10	-8.91	0.14	-1.93	7.43	2.56	3.92	3.08	5.75	2.64	1.42	2.31	3.25
% Chg Same Qtr Last Yr.....	1.43	1.80	2.10	4.66	3.37	2.44	-0.99	1.99	2.94	4.23	3.82	3.84	1.42	2.31	3.25
TRANSFER PAYMENTS.....	32386	32297	32761	33590	34358	34509	35162	35679	36272	36549	37202	37938	32334	34405	36425
% Chg Prev Qtr SAAR.....	6.33	-1.09	5.87	10.51	9.47	1.77	7.79	6.01	6.81	3.09	7.34	8.15	6.34	6.40	5.87
% Chg Same Qtr Last Yr.....	6.83	5.90	5.50	5.32	6.09	6.85	7.33	6.22	5.57	5.91	5.80	6.33	6.34	6.40	5.87
LESS: PERS CONT FOR SOC INS...	15720	15782	15885	16231	16440	16671	16679	16974	17223	17681	17737	17758	15747	16505	17404
% Chg Prev Qtr SAAR.....	3.06	1.59	2.64	8.99	5.26	5.73	0.21	7.26	5.98	11.08	1.28	0.49	4.94	4.81	5.44
% Chg Same Qtr Last Yr.....	5.89	4.43	3.45	4.03	4.58	5.63	5.00	4.58	4.76	6.06	6.34	4.62	4.94	4.81	5.44
RESIDENCE ADJUSTMENT.....	-1547	-1539	-1651	-1629	-1644	-1629	-1653	-1685	-1697	-1713	-1735	-1754	-1567	-1639	-1708
% Chg Prev Qtr SAAR.....	3.97	-2.05	32.56	-5.38	3.82	-3.48	5.81	8.06	2.86	3.78	5.41	4.45	4.00	4.55	4.20
% Chg Same Qtr Last Yr.....	4.46	-0.19	5.72	6.31	6.27	5.88	0.08	3.46	3.22	5.11	5.01	4.12	4.00	4.55	4.20
PER CAPITA PERSONAL INCOME (\$)...	31035	31160	31693	31966	32421	32681	33173	33461	33858	34182	34714	35054	31127	32560	34054
% Chg Prev Qtr SAAR.....	5.55	1.62	7.02	3.48	5.82	3.25	6.16	3.52	4.83	3.88	6.37	3.97	4.59	4.60	4.59
% Chg Same Qtr Last Yr.....	5.10	4.22	3.92	4.40	4.46	4.88	4.67	4.68	4.43	4.59	4.64	4.76	4.59	4.60	4.59

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Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	2728.5	2725.7	2763.2	2717.4	2763.4	2766.1	2798.0	2750.4	2797.5	2801.0	2831.9	2784.1	2727.5	2761.2	2795.2
% Chg Same Qtr Last Yr.....	0.81	0.90	1.05	0.92	1.28	1.48	1.26	1.21	1.23	1.26	1.21	1.22	0.98	1.24	1.23
NATURAL RESOURCES & MINING.....	4.1	4.1	4.0	4.0	4.1	4.0	4.0	3.9	4.1	4.0	4.0	3.9	4.1	4.0	4.0
% Chg Same Qtr Last Yr.....	0.00	0.00	-2.29	-2.00	-0.59	-0.56	-0.60	-0.95	-1.17	-0.62	-0.54	-0.66	-0.58	-0.93	-0.82
CONSTRUCTION.....	120.6	122.6	121.4	115.4	122.8	126.1	124.5	118.1	125.5	129.0	127.5	121.2	119.7	122.2	125.0
% Chg Same Qtr Last Yr.....	1.86	1.83	1.85	1.03	1.79	2.83	2.51	2.34	2.26	2.30	2.41	2.55	1.87	2.06	2.33
MANUFACTURING.....	412.5	411.2	411.4	409.1	413.1	412.5	412.4	409.5	413.4	413.6	414.6	411.2	411.1	411.8	412.7
% Chg Same Qtr Last Yr.....	-0.06	-0.30	-0.42	-0.03	0.15	0.30	0.26	0.10	0.07	0.26	0.53	0.42	-0.11	0.17	0.24
DURABLE GOODS.....	256.2	254.6	255.9	255.7	258.8	257.9	258.3	257.9	260.9	260.8	262.4	261.5	255.1	257.7	260.5
% Chg Same Qtr Last Yr.....	0.81	0.22	0.38	0.71	1.02	1.28	0.96	0.87	0.81	1.13	1.56	1.37	0.68	0.99	1.09
NONDURABLE GOODS.....	156.3	156.6	155.5	153.4	154.3	154.6	154.1	151.5	152.5	152.8	152.2	149.7	155.9	154.1	152.3
% Chg Same Qtr Last Yr.....	-1.45	-1.14	-1.72	-1.23	-1.28	-1.28	-0.91	-1.19	-1.17	-1.19	-1.21	-1.21	-1.37	-1.17	-1.19
TRADE, TRANSPORTATION, UTILITIES.....	590.1	594.3	612.5	592.5	600.0	605.9	621.9	602.2	609.6	615.8	631.5	611.9	595.2	605.1	614.8
% Chg Same Qtr Last Yr.....	1.13	1.56	2.00	1.46	1.67	1.95	1.54	1.64	1.61	1.63	1.55	1.61	1.48	1.65	1.61
WHOLESALE TRADE.....	130.0	130.2	130.6	129.7	131.6	132.2	133.2	132.3	134.0	134.5	135.3	134.9	129.7	131.7	134.0
% Chg Same Qtr Last Yr.....	1.67	1.64	1.86	1.45	1.22	1.49	1.96	2.00	1.86	1.72	1.63	1.97	1.74	1.53	1.80
RETAIL TRADE.....	320.7	324.1	338.8	324.9	328.1	331.3	345.1	331.3	334.4	337.4	350.9	336.9	325.5	332.3	338.5
% Chg Same Qtr Last Yr.....	1.39	2.21	2.05	2.04	2.29	2.23	1.85	1.99	1.94	1.85	1.70	1.69	1.80	2.10	1.87
TRANSPORTATION & UTILITIES.....	139.4	140.0	141.9	139.2	140.9	141.7	142.5	139.9	141.7	143.1	144.0	141.4	139.8	141.1	142.2
% Chg Same Qtr Last Yr.....	0.02	0.00	1.16	1.11	1.05	1.20	0.41	0.50	0.59	1.03	1.10	1.07	0.30	0.94	0.81
INFORMATION.....	48.1	47.4	48.7	47.5	47.4	47.3	47.4	46.5	46.7	46.6	46.8	45.9	48.1	47.4	46.7
% Chg Same Qtr Last Yr.....	-2.89	-3.00	-1.80	-1.73	-1.42	-0.13	-2.63	-2.12	-1.57	-1.50	-1.28	-1.44	-2.69	-1.49	-1.62
FINANCIAL ACTIVITIES.....	143.7	144.4	144.9	144.2	146.2	147.2	147.1	146.2	148.2	149.4	149.8	148.9	143.9	146.2	148.4
% Chg Same Qtr Last Yr.....	1.46	1.45	1.36	0.95	1.76	1.94	1.50	1.44	1.40	1.53	1.82	1.80	1.46	1.54	1.55
PROFESSIONAL & BUSINESS SERVICES...	304.0	305.5	307.9	304.5	308.5	310.6	313.5	308.7	313.5	315.4	316.9	312.7	304.9	309.3	313.6
% Chg Same Qtr Last Yr.....	1.06	0.53	0.26	0.77	1.49	1.67	1.82	1.36	1.61	1.54	1.07	1.31	1.35	1.44	1.39
EDUCATION & HEALTH SERVICES.....	325.4	325.5	329.7	328.5	331.3	331.3	336.5	335.5	337.6	337.2	342.4	341.6	325.8	331.9	338.2
% Chg Same Qtr Last Yr.....	1.91	2.01	1.79	1.79	1.82	1.79	2.05	2.14	1.90	1.77	1.75	1.81	1.94	1.86	1.89
LEISURE & HOSPITALITY.....	261.6	265.5	256.1	246.9	266.8	270.6	261.3	251.5	272.0	276.2	265.3	255.3	257.1	261.4	266.3
% Chg Same Qtr Last Yr.....	1.19	1.13	0.96	0.62	2.01	1.95	2.05	1.89	1.94	2.06	1.52	1.49	1.46	1.67	1.85
OTHER SERVICES.....	103.3	102.8	103.8	103.0	104.4	104.1	104.6	104.0	105.2	104.9	105.4	104.9	103.0	104.0	104.9
% Chg Same Qtr Last Yr.....	0.32	0.88	1.49	0.86	1.11	1.24	0.83	0.96	0.75	0.81	0.77	0.90	0.77	1.01	0.82
GOVERNMENT.....	415.2	402.5	422.8	421.9	418.8	406.4	424.7	424.2	421.7	408.9	427.8	426.7	414.5	417.9	420.6
% Chg Same Qtr Last Yr.....	0.00	0.42	1.11	1.03	0.86	0.98	0.45	0.55	0.70	0.61	0.73	0.60	0.13	0.83	0.65
FEDERAL, CIVILIAN.....	50.6	49.8	50.0	50.4	50.4	49.5	49.6	50.1	50.1	49.1	49.1	49.6	50.2	50.0	49.6
% Chg Same Qtr Last Yr.....	-0.85	-0.86	-0.20	-0.26	-0.39	-0.62	-0.70	-0.72	-0.66	-0.70	-1.07	-1.00	-0.71	-0.49	-0.79
STATE & LOCAL.....	364.6	352.7	372.7	371.2	369.3	356.3	375.0	373.9	372.6	359.1	378.6	376.9	364.3	368.0	371.0
% Chg Same Qtr Last Yr.....	0.12	0.60	1.26	1.13	1.30	1.03	0.61	0.72	0.88	0.79	0.97	0.82	0.24	1.02	0.84

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **December 2005**

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL DURABLE GOODS.....	256.2	254.6	255.9	255.7	258.8	257.9	258.3	257.9	260.9	260.8	262.4	261.5	255.1	257.7	260.5
% Chg Same Qtr Last Yr.....	0.81	0.22	0.38	0.71	1.02	1.28	0.96	0.87	0.81	1.13	1.56	1.37	0.01	0.01	0.01
WOOD PRODUCTS.....	17.7	18.0	17.8	17.6	17.9	18.2	18.1	17.7	18.1	18.4	18.4	18.0	17.7	18.0	18.2
% Chg Same Qtr Last Yr.....	1.72	1.32	0.25	0.82	1.17	1.49	1.43	0.71	0.84	1.03	1.90	1.34	0.02	0.01	0.01
NONMETALLIC MINERAL PRODUCTS.....	16.1	16.1	16.0	15.8	16.3	16.3	16.3	16.1	16.5	16.5	16.5	16.3	16.0	16.1	16.4
% Chg Same Qtr Last Yr.....	1.47	1.90	0.56	0.31	1.04	1.22	1.66	1.69	1.54	1.70	1.61	1.52	0.02	0.01	0.02
PRIMARY METALS.....	12.4	12.5	12.7	12.5	12.5	12.5	12.7	12.6	12.6	12.7	12.9	12.8	12.5	12.6	12.7
% Chg Same Qtr Last Yr.....	1.64	1.08	2.07	1.22	0.91	0.61	0.40	1.16	1.30	1.27	1.41	1.29	0.02	0.01	0.01
FABRICATED METAL PRODUCTS.....	42.1	42.0	42.1	42.1	42.2	42.2	42.4	42.4	42.5	42.5	42.7	42.7	42.0	42.2	42.5
% Chg Same Qtr Last Yr.....	0.96	0.48	-0.10	0.58	0.41	0.48	0.74	0.66	0.60	0.73	0.82	0.79	0.01	0.01	0.01
MACHINERY.....	35.0	34.1	34.9	35.4	35.9	34.7	34.5	35.3	36.1	35.1	35.3	36.0	34.6	35.1	35.4
% Chg Same Qtr Last Yr.....	-0.19	0.99	2.68	2.79	2.62	1.55	-1.09	-0.32	0.48	1.22	2.41	1.99	0.01	0.01	0.01
COMPUTER & ELECTRONIC PRODUCTS...	10.8	10.8	11.2	10.5	10.7	10.7	10.8	10.3	10.5	10.6	10.8	10.2	10.8	10.7	10.5
% Chg Same Qtr Last Yr.....	-3.57	-3.58	-0.43	-0.56	-0.79	-0.72	-3.82	-2.68	-1.73	-0.88	0.21	-0.35	-0.03	-0.01	-0.01
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.2	22.8	22.8	23.0	23.3	23.5	23.5	23.5	23.7	23.9	24.1	24.0	23.0	23.3	23.8
% Chg Same Qtr Last Yr.....	1.31	-1.72	-2.46	-0.54	0.39	2.91	3.33	2.14	1.69	1.75	2.39	2.00	0.00	0.02	0.02
TRANSPORTATION EQUIPMENT.....	62.7	62.1	62.9	63.0	63.4	63.3	63.9	64.1	64.4	64.3	64.9	65.0	62.5	63.4	64.4
% Chg Same Qtr Last Yr.....	1.84	0.32	1.31	1.10	1.18	1.91	1.64	1.69	1.57	1.62	1.48	1.51	0.01	0.01	0.02
FURNITURE.....	19.9	19.8	19.4	19.6	20.0	20.1	19.9	19.7	20.0	20.1	20.4	20.2	19.7	19.9	20.0
% Chg Same Qtr Last Yr.....	0.34	0.51	-1.28	-1.05	0.64	1.21	2.24	0.91	-0.32	0.23	2.43	2.19	0.00	0.01	0.01
MISCELLANEOUS DURABLE GOODS.....	16.3	16.4	16.2	16.2	16.5	16.4	16.3	16.3	16.5	16.5	16.4	16.3	16.3	16.4	16.4
% Chg Same Qtr Last Yr.....	-0.61	-0.81	-1.34	-0.17	1.09	-0.23	1.03	0.38	-0.20	1.07	0.36	0.14	-0.01	0.00	0.00

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONDURABLE GOODS.....	156.3	156.6	155.5	153.4	154.3	154.6	154.1	151.5	152.5	152.8	152.2	149.7	155.9	154.1	152.3
% Chg Same Qtr Last Yr.....	-1.45	-1.14	-1.72	-1.23	-1.28	-1.28	-0.91	-1.19	-1.17	-1.19	-1.21	-1.21	-1.37	-1.17	-1.19
FOOD.....	35.1	35.0	35.0	34.8	35.0	35.1	35.2	34.7	34.9	35.1	35.1	34.6	35.0	35.0	35.0
% Chg Same Qtr Last Yr.....	-0.28	-0.19	-0.26	-0.43	-0.35	0.22	0.50	-0.06	-0.11	-0.07	-0.27	-0.38	-0.33	-0.01	-0.13
BEVERAGE & TOBACCO.....	5.9	5.9	5.9	5.9	5.9	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
% Chg Same Qtr Last Yr.....	-0.56	-0.56	0.30	0.02	0.26	1.05	0.23	0.20	-0.10	-0.73	-0.60	-0.38	-0.35	0.39	-0.31
TEXTILE MILLS.....	6.5	6.6	6.3	6.3	6.2	6.2	6.0	5.9	5.9	5.9	5.7	5.5	6.5	6.2	5.9
% Chg Same Qtr Last Yr.....	-3.47	-2.94	-6.44	-4.15	-3.93	-5.56	-4.00	-5.87	-5.34	-5.80	-4.59	-6.11	-3.95	-4.42	-5.41
TEXTILE PRODUCT MILLS.....	4.1	4.1	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
% Chg Same Qtr Last Yr.....	1.67	3.33	1.10	0.42	0.07	-0.92	1.00	0.86	0.65	0.57	0.49	0.21	2.81	0.14	0.64
APPAREL.....	8.6	8.4	8.1	8.0	8.0	7.8	7.6	7.4	7.4	7.2	7.1	6.9	8.4	7.8	7.3
% Chg Same Qtr Last Yr.....	-7.19	-7.33	-10.22	-7.98	-7.00	-7.52	-6.12	-8.00	-7.85	-7.38	-6.21	-6.01	-7.78	-7.18	-7.38
PAPER.....	18.2	18.4	18.4	17.8	18.1	18.3	18.2	17.6	17.9	18.1	18.0	17.4	18.3	18.1	17.9
% Chg Same Qtr Last Yr.....	-2.15	-2.13	-2.25	-1.42	-0.97	-0.67	-0.88	-1.03	-0.87	-0.92	-1.22	-1.17	-2.26	-0.98	-1.01
PRINTING & RELATED SUPPORT.....	18.9	19.1	19.1	18.3	18.5	18.7	18.8	18.0	18.2	18.4	18.5	17.7	18.9	18.6	18.3
% Chg Same Qtr Last Yr.....	-2.58	-1.72	-1.89	-1.40	-1.84	-2.06	-1.68	-1.53	-1.60	-1.57	-1.71	-1.53	-2.20	-1.75	-1.60
CHEMICALS.....	27.2	27.2	26.9	26.7	26.6	26.6	26.3	26.1	26.0	25.9	25.7	25.5	27.2	26.6	25.9
% Chg Same Qtr Last Yr.....	-2.51	-2.51	-2.66	-2.58	-2.24	-2.18	-2.17	-2.38	-2.40	-2.36	-2.32	-2.30	-2.48	-2.29	-2.36
PLASTICS & RUBBER.....	28.8	29.1	28.8	28.9	29.1	29.2	29.0	29.2	29.4	29.4	29.2	29.4	28.8	29.0	29.3
% Chg Same Qtr Last Yr.....	0.82	2.22	1.23	1.33	0.90	0.08	0.69	1.00	1.01	0.84	0.60	0.75	1.54	0.75	0.86
MISCELLANEOUS NONDURABLE GOODS.....	3.0	2.7	2.9	2.8	2.8	2.7	2.8	2.7	2.8	2.7	2.8	2.7	2.8	2.8	2.8
% Chg Same Qtr Last Yr.....	1.12	-5.75	-5.21	0.99	-5.45	-0.51	-1.00	-0.96	-0.96	-0.57	-0.85	-1.03	-2.22	-1.58	-0.84

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **December 2005**

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	2720.9	2725.6	2739.6	2748.9	2757.1	2764.6	2774.1	2782.4	2791.1	2799.4	2807.8	2816.6	2727.2	2761.2	2795.2
% Chg Prev Qtr SAAR.....	-0.29	0.70	2.08	1.36	1.20	1.09	1.38	1.20	1.25	1.19	1.21	1.27	0.97	1.24	1.23
% Chg Same Qtr Last Yr.....	0.82	0.91	1.00	0.96	1.33	1.43	1.26	1.22	1.23	1.26	1.21	1.23	0.97	1.24	1.23
NATURAL RESOURCES & MINING.....	4.1	4.0	4.0	4.0	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.0	4.0
% Chg Prev Qtr SAAR.....	-4.91	-4.32	-0.04	1.25	0.77	-3.86	-0.48	-0.17	-0.12	-1.70	-0.16	-0.65	-0.58	-0.94	-0.82
% Chg Same Qtr Last Yr.....	-0.04	0.15	-2.31	-2.04	-0.61	-0.49	-0.60	-0.95	-1.17	-0.62	-0.54	-0.66	-0.58	-0.94	-0.82
CONSTRUCTION.....	119.7	119.2	120.2	121.1	121.8	122.5	123.2	123.9	124.6	125.4	126.2	127.1	119.7	122.2	125.0
% Chg Prev Qtr SAAR.....	-0.44	-1.77	3.57	2.86	2.59	2.31	2.29	2.18	2.26	2.47	2.73	2.74	2.00	2.04	2.33
% Chg Same Qtr Last Yr.....	2.05	1.88	1.85	1.03	1.79	2.83	2.51	2.34	2.26	2.30	2.41	2.55	2.00	2.04	2.33
MANUFACTURING.....	411.7	410.6	410.3	411.6	412.2	411.9	411.4	412.0	412.5	413.0	413.5	413.7	411.1	411.8	412.8
% Chg Prev Qtr SAAR.....	-0.05	-1.00	-0.31	1.27	0.62	-0.28	-0.57	0.61	0.53	0.50	0.49	0.12	-0.10	0.17	0.24
% Chg Same Qtr Last Yr.....	-0.07	-0.27	-0.43	-0.03	0.14	0.32	0.26	0.09	0.07	0.27	0.53	0.41	-0.10	0.17	0.24
DURABLE GOODS.....	255.3	254.8	255.5	256.7	257.9	258.1	258.0	259.0	260.0	261.0	262.0	262.5	255.1	257.7	260.5
% Chg Prev Qtr SAAR.....	0.58	-0.81	1.15	1.93	1.83	0.25	-0.14	1.53	1.62	1.53	1.58	0.76	0.69	0.99	1.09
% Chg Same Qtr Last Yr.....	0.82	0.24	0.38	0.71	1.02	1.29	0.96	0.86	0.81	1.13	1.56	1.37	0.69	0.99	1.09
NONDURABLE GOODS.....	156.3	155.8	154.8	154.8	154.3	153.9	153.4	153.0	152.5	152.0	151.5	151.1	155.9	154.1	152.3
% Chg Prev Qtr SAAR.....	-1.07	-1.31	-2.67	0.19	-1.37	-1.16	-1.28	-0.94	-1.29	-1.24	-1.35	-0.98	-1.37	-1.17	-1.19
% Chg Same Qtr Last Yr.....	-1.48	-1.10	-1.73	-1.22	-1.29	-1.26	-0.91	-1.19	-1.17	-1.19	-1.21	-1.22	-1.37	-1.17	-1.19
TRADE, TRANSPORTATION, UTILITIES.....	593.2	595.3	599.8	601.2	603.7	606.1	609.0	611.1	613.4	616.0	618.4	620.9	594.9	605.0	614.7
% Chg Prev Qtr SAAR.....	1.35	1.41	3.03	0.98	1.68	1.59	1.88	1.41	1.54	1.69	1.54	1.66	1.43	1.71	1.61
% Chg Same Qtr Last Yr.....	1.14	1.55	1.79	1.69	1.78	1.82	1.54	1.64	1.61	1.63	1.55	1.61	1.43	1.71	1.61
WHOLESALE TRADE.....	129.6	130.1	130.3	130.5	131.2	132.1	132.8	133.1	133.7	134.3	135.0	135.8	129.7	131.7	134.0
% Chg Prev Qtr SAAR.....	3.13	1.46	0.51	0.77	2.10	2.59	2.39	0.93	1.54	2.03	2.02	2.28	1.74	1.53	1.80
% Chg Same Qtr Last Yr.....	1.64	1.63	1.87	1.46	1.21	1.49	1.96	2.00	1.86	1.72	1.63	1.97	1.74	1.53	1.80
RETAIL TRADE.....	323.9	325.8	328.8	329.8	331.4	333.1	334.9	336.4	337.8	339.2	340.6	342.0	325.4	332.3	338.5
% Chg Prev Qtr SAAR.....	0.90	2.37	3.68	1.24	1.97	2.01	2.19	1.79	1.77	1.65	1.59	1.75	1.80	2.10	1.87
% Chg Same Qtr Last Yr.....	1.42	2.20	2.04	2.04	2.31	2.22	1.85	1.99	1.94	1.85	1.70	1.69	1.80	2.10	1.87
TRANSPORTATION & UTILITIES.....	139.6	139.3	140.7	140.9	141.1	141.0	141.3	141.6	141.9	142.5	142.8	143.1	139.8	141.1	142.2
% Chg Prev Qtr SAAR.....	0.79	-0.84	3.91	0.60	0.63	-0.29	0.70	0.96	0.99	1.47	0.98	0.84	0.30	0.94	0.81
% Chg Same Qtr Last Yr.....	0.04	0.00	1.16	1.10	1.06	1.20	0.41	0.50	0.59	1.03	1.10	1.07	0.30	0.94	0.81
INFORMATION.....	48.2	47.4	48.3	47.9	47.5	47.3	47.0	46.9	46.8	46.6	46.4	46.2	48.1	47.4	46.7
% Chg Prev Qtr SAAR.....	-4.31	-6.74	7.95	-3.20	-3.09	-1.76	-2.46	-1.16	-0.90	-1.48	-1.58	-1.80	-2.47	-1.48	-1.62
% Chg Same Qtr Last Yr.....	-2.82	-2.94	-1.80	-1.73	-1.42	-0.13	-2.63	-2.12	-1.57	-1.50	-1.28	-1.44	-2.47	-1.48	-1.62
FINANCIAL ACTIVITIES.....	143.5	143.8	144.6	145.3	146.0	146.6	146.8	147.4	148.1	148.8	149.4	150.0	144.0	146.2	148.4
% Chg Prev Qtr SAAR.....	-1.20	0.75	2.36	1.93	2.01	1.46	0.60	1.69	1.85	1.98	1.76	1.61	1.57	1.54	1.55
% Chg Same Qtr Last Yr.....	1.46	1.51	1.36	0.95	1.76	1.94	1.50	1.44	1.40	1.53	1.82	1.80	1.57	1.54	1.55

(CONTINUED ON NEXT PAGE)

Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
PROF & BUSINESS SERVICES.....	303.8	304.4	305.8	308.0	308.3	309.5	311.4	312.2	313.3	314.2	314.7	316.3	304.9	309.3	313.6
% Chg Prev Qtr SAAR.....	-2.38	0.79	1.85	2.89	0.44	1.51	2.45	1.05	1.44	1.23	0.57	2.01	1.21	1.44	1.39
% Chg Same Qtr Last Yr.....	0.91	0.56	0.26	0.77	1.49	1.67	1.82	1.36	1.61	1.54	1.07	1.31	1.21	1.44	1.39
EDUC & HEALTH SERVICES.....	325.4	326.6	327.7	329.5	331.3	332.5	334.5	336.5	337.5	338.3	340.3	342.6	325.8	331.9	338.2
% Chg Prev Qtr SAAR.....	2.04	1.47	1.47	2.15	2.16	1.47	2.43	2.51	1.20	0.95	2.35	2.75	1.94	1.86	1.89
% Chg Same Qtr Last Yr.....	1.89	2.04	1.80	1.78	1.81	1.81	2.05	2.14	1.90	1.77	1.75	1.81	1.94	1.86	1.89
LEISURE & HOSPITALITY.....	255.6	256.9	258.2	259.4	260.7	261.9	263.4	264.3	265.8	267.3	267.5	268.3	257.1	261.4	266.2
% Chg Prev Qtr SAAR.....	-3.42	2.05	1.97	1.99	2.03	1.81	2.37	1.36	2.23	2.29	0.23	1.22	1.50	1.66	1.85
% Chg Same Qtr Last Yr.....	1.43	1.12	0.96	0.62	2.01	1.95	2.05	1.89	1.94	2.06	1.52	1.49	1.50	1.66	1.85
OTHER SERVICES.....	102.8	102.7	103.7	103.7	103.9	104.1	104.6	104.7	104.7	104.9	105.4	105.6	103.0	104.0	104.9
% Chg Prev Qtr SAAR.....	-0.19	-0.33	3.85	-0.10	0.88	0.66	1.90	0.41	0.04	0.90	1.73	0.93	0.76	1.00	0.82
% Chg Same Qtr Last Yr.....	0.22	1.03	1.57	0.79	1.06	1.31	0.83	0.96	0.75	0.81	0.77	0.90	0.76	1.00	0.82
GOVERNMENT.....	412.9	414.8	417.0	417.2	417.5	418.2	418.9	419.5	420.4	420.7	422.0	422.0	414.5	417.9	420.6
% Chg Prev Qtr SAAR.....	-0.25	1.78	2.21	0.13	0.28	0.68	0.72	0.51	0.88	0.35	1.18	0.00	0.13	0.83	0.65
% Chg Same Qtr Last Yr.....	0.01	0.41	1.09	0.96	1.10	0.82	0.45	0.55	0.70	0.61	0.73	0.60	0.13	0.83	0.65
FEDERAL, CIVILIAN.....	50.2	50.2	50.3	50.2	50.0	49.9	49.9	49.8	49.7	49.5	49.4	49.3	50.2	50.0	49.6
% Chg Prev Qtr SAAR.....	-0.78	0.13	0.46	-0.77	-1.29	-0.87	0.14	-0.85	-1.05	-1.03	-1.35	-0.57	-0.71	-0.48	-0.79
% Chg Same Qtr Last Yr.....	-0.81	-0.86	-0.28	-0.24	-0.37	-0.62	-0.70	-0.72	-0.66	-0.70	-1.07	-1.00	-0.71	-0.48	-0.79
STATE & LOCAL.....	362.8	364.6	366.8	367.0	367.5	368.3	369.0	369.7	370.7	371.2	372.6	372.7	364.3	367.9	371.0
% Chg Prev Qtr SAAR.....	-0.17	2.01	2.45	0.25	0.50	0.89	0.80	0.69	1.14	0.53	1.52	0.07	0.24	1.01	0.84
% Chg Same Qtr Last Yr.....	0.12	0.58	1.28	1.13	1.30	1.02	0.61	0.72	0.88	0.79	0.97	0.81	0.24	1.01	0.84
STATISTICAL DISCREPANCY (%).....	-0.11	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-

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Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL DURABLE GOODS.....	255.3	254.8	255.5	256.7	257.9	258.1	258.0	259.0	260.0	261.0	262.0	262.5	255.1	257.7	260.5
% Chg Prev Qtr SAAR.....	0.58	-0.81	1.15	1.93	1.83	0.25	-0.14	1.53	1.62	1.53	1.58	0.76	0.69	0.99	1.09
% Chg Same Qtr Last Yr.....	0.82	0.24	0.38	0.71	1.02	1.29	0.96	0.86	0.81	1.13	1.56	1.37	0.69	0.99	1.09
WOOD PRODUCTS.....	17.8	17.8	17.7	17.9	18.0	18.0	17.9	18.0	18.1	18.2	18.3	18.3	17.7	18.0	18.2
% Chg Prev Qtr SAAR.....	0.41	-0.23	-2.11	5.36	1.81	1.07	-2.38	2.40	2.33	1.84	1.03	0.17	1.95	1.23	1.12
% Chg Same Qtr Last Yr.....	1.73	1.33	0.23	0.82	1.17	1.50	1.43	0.71	0.84	1.03	1.90	1.34	1.95	1.23	1.12
NONMETALLIC MINERALS.....	16.0	16.0	16.0	16.0	16.1	16.2	16.2	16.3	16.4	16.4	16.5	16.6	16.0	16.1	16.4
% Chg Prev Qtr SAAR.....	-0.54	-0.15	0.33	1.59	2.37	0.66	2.00	1.75	1.75	1.30	1.64	1.39	1.63	1.06	1.64
% Chg Same Qtr Last Yr.....	1.46	1.93	0.55	0.31	1.03	1.24	1.66	1.69	1.54	1.70	1.61	1.52	1.63	1.06	1.64
PRIMARY METALS.....	12.4	12.5	12.6	12.5	12.5	12.6	12.6	12.7	12.7	12.7	12.8	12.8	12.5	12.6	12.7
% Chg Prev Qtr SAAR.....	1.45	2.97	1.88	-1.38	0.30	1.67	1.03	1.64	0.85	1.55	1.59	1.16	1.82	0.79	1.29
% Chg Same Qtr Last Yr.....	1.68	1.07	2.04	1.22	0.93	0.61	0.40	1.16	1.30	1.27	1.41	1.29	1.82	0.79	1.29
FABRICATED METALS.....	42.1	42.1	42.0	42.1	42.2	42.3	42.3	42.4	42.5	42.6	42.6	42.7	42.0	42.2	42.5
% Chg Prev Qtr SAAR.....	1.87	0.18	-1.07	1.36	1.19	0.54	-0.12	1.04	0.95	1.06	0.24	0.92	0.58	0.56	0.70
% Chg Same Qtr Last Yr.....	0.95	0.51	-0.12	0.58	0.41	0.50	0.74	0.66	0.60	0.73	0.82	0.79	0.58	0.56	0.70
MACHINERY.....	34.2	34.6	35.3	35.2	35.1	35.1	34.9	35.1	35.3	35.5	35.8	35.8	34.6	35.1	35.4
% Chg Prev Qtr SAAR.....	-0.49	3.84	8.98	-0.87	-1.11	-0.38	-1.99	2.26	2.11	2.58	2.70	0.59	1.12	1.46	0.94
% Chg Same Qtr Last Yr.....	-0.18	1.03	2.65	2.79	2.63	1.57	-1.09	-0.32	0.48	1.22	2.41	1.99	1.12	1.46	0.94
COMPUTERS & ELECTRONICS.....	10.8	10.7	10.9	10.8	10.7	10.6	10.5	10.5	10.5	10.5	10.5	10.5	10.8	10.7	10.5
% Chg Prev Qtr SAAR.....	-2.10	-3.63	8.91	-4.65	-3.24	-3.36	-4.03	-0.04	0.60	0.03	0.26	-2.26	-3.18	-1.47	-1.28
% Chg Same Qtr Last Yr.....	-3.58	-3.61	-0.47	-0.51	-0.80	-0.73	-3.82	-2.68	-1.73	-0.88	0.21	-0.35	-3.18	-1.47	-1.28
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.2	22.8	22.7	23.1	23.3	23.5	23.5	23.6	23.7	23.9	24.0	24.1	23.0	23.3	23.8
% Chg Prev Qtr SAAR.....	0.36	-7.60	-1.28	6.85	4.21	2.12	0.26	2.01	2.38	2.36	2.81	0.46	-0.22	1.51	1.99
% Chg Same Qtr Last Yr.....	1.31	-1.69	-2.48	-0.55	0.39	2.93	3.33	2.14	1.69	1.75	2.39	2.00	-0.22	1.51	1.99
TRANSPORTATION EQUIP.....	62.6	62.3	62.8	63.0	63.3	63.5	63.8	64.1	64.3	64.5	64.8	65.1	62.5	63.4	64.4
% Chg Prev Qtr SAAR.....	1.52	-1.92	3.38	1.41	1.88	1.07	2.21	1.61	1.40	1.26	1.64	1.73	1.34	1.45	1.59
% Chg Same Qtr Last Yr.....	1.83	0.36	1.31	1.08	1.17	1.93	1.64	1.69	1.57	1.62	1.48	1.51	1.34	1.45	1.59
FURNITURE.....	19.9	19.8	19.4	19.7	20.0	20.1	19.8	19.8	20.0	20.1	20.3	20.3	19.7	19.9	20.0
% Chg Prev Qtr SAAR.....	1.08	-1.82	-8.96	6.29	7.98	0.30	-5.08	0.86	2.82	2.53	3.53	-0.08	-0.02	0.75	0.81
% Chg Same Qtr Last Yr.....	0.34	0.45	-1.30	-1.01	0.64	1.18	2.24	0.91	-0.32	0.23	2.43	2.19	-0.02	0.75	0.81
MISCELLANEOUS DURABLES.....	16.3	16.3	16.2	16.3	16.5	16.3	16.4	16.4	16.4	16.4	16.4	16.4	16.3	16.4	16.4
% Chg Prev Qtr SAAR.....	-1.87	0.30	-2.60	3.54	3.28	-4.92	2.46	0.90	0.92	0.01	-0.39	0.02	-0.74	0.43	0.40
% Chg Same Qtr Last Yr.....	-0.58	-0.84	-1.32	-0.18	1.10	-0.24	1.03	0.38	-0.20	1.07	0.36	0.14	-0.74	0.43	0.40

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONDURABLE GOODS.....	156.3	155.8	154.8	154.8	154.3	153.9	153.4	153.0	152.5	152.0	151.5	151.1	155.9	154.1	152.3
% Chg Prev Qtr SAAR.....	-1.07	-1.31	-2.67	0.19	-1.37	-1.16	-1.28	-0.94	-1.29	-1.24	-1.35	-0.98	-1.37	-1.17	-1.19
% Chg Same Qtr Last Yr.....	-1.48	-1.10	-1.73	-1.22	-1.29	-1.26	-0.91	-1.19	-1.17	-1.19	-1.21	-1.22	-1.37	-1.17	-1.19
FOOD.....	35.2	34.9	34.8	35.0	35.0	35.0	35.0	35.0	35.0	35.0	34.9	34.8	35.0	35.0	35.0
% Chg Prev Qtr SAAR.....	-0.03	-2.31	-1.43	2.07	0.29	0.06	-0.40	-0.19	0.09	0.22	-1.20	-0.63	-0.33	-0.02	-0.13
% Chg Same Qtr Last Yr.....	-0.30	-0.15	-0.26	-0.44	-0.36	0.24	0.50	-0.06	-0.11	-0.07	-0.27	-0.38	-0.33	-0.02	-0.13
BEVERAGE & TOBACCO.....	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
% Chg Prev Qtr SAAR.....	-0.24	-1.36	2.14	-0.42	0.68	1.88	-1.20	-0.52	-0.50	-0.68	-0.68	0.33	-0.35	0.39	-0.31
% Chg Same Qtr Last Yr.....	-0.57	-0.54	0.30	0.02	0.25	1.06	0.23	0.20	-0.10	-0.73	-0.60	-0.38	-0.35	0.39	-0.31
TEXTILE MILLS.....	6.5	6.5	6.3	6.4	6.2	6.2	6.0	6.0	5.9	5.8	5.7	5.6	6.5	6.2	5.9
% Chg Prev Qtr SAAR.....	-9.30	2.42	-15.67	7.88	-8.43	-4.72	-9.76	-0.28	-6.35	-6.55	-5.04	-6.49	-3.95	-4.41	-5.41
% Chg Same Qtr Last Yr.....	-3.39	-3.05	-6.47	-4.12	-3.89	-5.61	-4.00	-5.87	-5.34	-5.80	-4.59	-6.11	-3.95	-4.41	-5.41
TEXTILE PRODUCT MILLS.....	4.1	4.1	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
% Chg Prev Qtr SAAR.....	3.21	4.58	-6.72	1.08	1.65	0.58	0.69	0.53	0.81	0.26	0.37	-0.59	2.82	0.14	0.64
% Chg Same Qtr Last Yr.....	1.64	3.36	1.08	0.44	0.06	-0.91	1.00	0.86	0.65	0.57	0.49	0.21	2.82	0.14	0.64
APPAREL.....	8.6	8.4	8.1	8.1	8.0	7.8	7.6	7.4	7.3	7.2	7.1	7.0	8.4	7.8	7.3
% Chg Prev Qtr SAAR.....	-9.13	-6.55	-15.40	-0.23	-5.28	-8.43	-10.24	-7.99	-4.66	-6.54	-5.62	-7.20	-7.78	-7.18	-7.38
% Chg Same Qtr Last Yr.....	-7.25	-7.28	-10.21	-7.99	-7.03	-7.50	-6.12	-8.00	-7.85	-7.38	-6.21	-6.01	-7.78	-7.18	-7.38
PAPER.....	18.3	18.2	18.2	18.2	18.1	18.0	18.1	18.0	18.0	17.9	17.8	17.8	18.3	18.1	17.9
% Chg Prev Qtr SAAR.....	-3.66	-2.80	1.41	-0.52	-1.89	-1.57	0.48	-1.12	-1.25	-1.77	-0.73	-0.92	-2.26	-0.98	-1.01
% Chg Same Qtr Last Yr.....	-2.13	-2.09	-2.30	-1.41	-0.96	-0.65	-0.88	-1.03	-0.87	-0.92	-1.22	-1.17	-2.26	-0.98	-1.01
PRINTING.....	19.0	18.9	18.8	18.7	18.6	18.5	18.5	18.4	18.3	18.2	18.2	18.1	18.9	18.6	18.3
% Chg Prev Qtr SAAR.....	0.71	-1.28	-2.65	-2.07	-1.59	-1.68	-1.37	-1.47	-1.87	-1.56	-1.93	-0.75	-2.19	-1.73	-1.60
% Chg Same Qtr Last Yr.....	-2.69	-1.60	-1.97	-1.33	-1.90	-2.00	-1.68	-1.53	-1.60	-1.57	-1.71	-1.53	-2.19	-1.73	-1.60
CHEMICALS.....	27.2	27.1	26.9	26.8	26.6	26.5	26.3	26.2	26.0	25.8	25.7	25.6	27.2	26.6	25.9
% Chg Prev Qtr SAAR.....	-3.52	-2.79	-2.34	-1.57	-2.37	-2.38	-2.37	-2.38	-2.48	-2.21	-2.22	-2.28	-2.48	-2.29	-2.36
% Chg Same Qtr Last Yr.....	-2.56	-2.48	-2.67	-2.56	-2.27	-2.17	-2.17	-2.38	-2.40	-2.36	-2.32	-2.30	-2.48	-2.29	-2.36
PLASTICS & RUBBER.....	28.7	29.1	29.0	28.9	29.0	29.1	29.2	29.2	29.3	29.3	29.4	29.5	28.8	29.0	29.3
% Chg Prev Qtr SAAR.....	1.97	5.07	-0.92	-0.63	0.15	1.74	1.51	0.60	0.19	1.06	0.55	1.20	1.54	0.75	0.86
% Chg Same Qtr Last Yr.....	0.80	2.22	1.23	1.34	0.89	0.08	0.69	1.00	1.01	0.84	0.60	0.75	1.54	0.75	0.86
MISCELLANEOUS NONDURABLE GOODS.....	3.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.8	2.8	2.8
% Chg Prev Qtr SAAR.....	25.20	-24.94	3.25	7.21	-3.81	-7.61	0.82	7.38	-3.81	-6.15	-0.31	6.60	-2.19	-1.53	-0.84
% Chg Same Qtr Last Yr.....	1.13	-5.55	-5.38	0.99	-5.45	-0.41	-1.00	-0.96	-0.96	-0.57	-0.85	-1.03	-2.19	-1.53	-0.84

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Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2000 dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	33466	33454	33144	34023	33816	34123	34045	34893	34540	34750	34663	35508	33469	34002	34711
% Chg Same Qtr Last Yr.....	3.15	0.87	-0.28	0.62	1.05	2.00	2.72	2.56	2.14	1.84	1.81	1.76	1.71	1.59	2.09
NATURAL RESOURCES & MINING.....	35145	35627	35353	36850	35606	36038	36196	37287	36092	36484	36843	37864	35778	36173	36676
% Chg Same Qtr Last Yr.....	6.09	4.09	3.74	-0.37	1.31	1.15	2.38	1.19	1.36	1.24	1.79	1.55	5.64	1.10	1.39
CONSTRUCTION.....	34527	33933	33945	36164	34480	33996	34774	36771	34839	34153	35023	37121	34555	34854	35196
% Chg Same Qtr Last Yr.....	1.93	0.01	-0.75	0.98	-0.14	0.18	2.44	1.68	1.04	0.46	0.71	0.95	0.30	0.86	0.98
MANUFACTURING.....	39226	39237	39711	40364	40392	40689	40875	41628	41496	41740	41977	42543	39527	40580	41710
% Chg Same Qtr Last Yr.....	1.49	-0.48	-0.15	1.08	2.97	3.70	2.93	3.13	2.73	2.58	2.69	2.20	1.21	2.67	2.78
DURABLE GOODS.....	38600	38700	38960	39570	39718	40178	40341	41059	40940	41284	41482	41912	38916	39952	41191
% Chg Same Qtr Last Yr.....	2.19	-0.47	-0.35	0.42	2.90	3.82	3.54	3.76	3.08	2.75	2.83	2.08	1.19	2.66	3.10
NONDURABLE GOODS.....	40253	40111	40948	41688	41522	41541	41772	42595	42448	42517	42830	43646	40526	41631	42598
% Chg Same Qtr Last Yr.....	0.47	-0.46	0.23	2.20	3.15	3.56	2.01	2.18	2.23	2.35	2.53	2.47	1.28	2.73	2.32
TRADE, TRANSPORTATION, UTILITIES.....	32598	32474	31557	32858	32826	32872	32312	33586	33459	33477	32893	34191	32300	32717	33354
% Chg Same Qtr Last Yr.....	4.73	2.27	-0.05	0.88	0.70	1.23	2.39	2.22	1.93	1.84	1.80	1.80	2.90	1.29	1.95
WHOLESALE TRADE.....	46300	46457	46141	46893	46896	47454	47800	48465	48325	48759	48963	49648	46448	47261	48628
% Chg Same Qtr Last Yr.....	5.18	2.02	-0.21	0.00	1.29	2.15	3.59	3.35	3.05	2.75	2.43	2.44	3.18	1.75	2.89
RETAIL TRADE.....	23546	23433	22499	23620	23699	23772	22950	24044	24041	24108	23314	24435	23216	23510	23877
% Chg Same Qtr Last Yr.....	4.67	3.26	1.28	1.00	0.65	1.45	2.00	1.80	1.44	1.41	1.59	1.63	3.51	1.27	1.56
TRANSPORTATION & UTILITIES.....	40644	40392	40024	41018	40807	40726	40782	41783	41492	41390	41402	42352	40392	40833	41517
% Chg Same Qtr Last Yr.....	4.52	1.87	-0.73	1.26	0.40	0.83	1.89	1.87	1.68	1.63	1.52	1.36	2.26	1.09	1.67
INFORMATION.....	42045	42483	41891	42978	43208	43655	43648	44693	44742	45057	44967	46109	42151	43372	44865
% Chg Same Qtr Last Yr.....	7.42	6.16	1.68	1.88	2.77	2.76	4.19	3.99	3.55	3.21	3.02	3.17	5.41	2.90	3.44
FINANCIAL ACTIVITIES.....	44923	44678	45875	46476	46003	45800	45968	46524	46173	46079	46188	46633	45464	46062	46241
% Chg Same Qtr Last Yr.....	-2.03	-5.58	-3.75	0.21	2.40	2.51	0.20	0.10	0.37	0.61	0.48	0.23	-2.95	1.32	0.39
PROFESSIONAL & BUSINESS SERVICES.....	35174	35183	34881	35864	35797	36050	36141	37087	36940	37116	37273	38239	35228	35963	37104
% Chg Same Qtr Last Yr.....	3.96	1.52	0.66	0.53	1.77	2.46	3.61	3.41	3.19	2.96	3.13	3.11	2.31	2.09	3.17
EDUCATION & HEALTH SERVICES.....	37068	36450	35639	36374	36703	37342	37499	37862	37865	38204	38050	38645	36318	36980	37995
% Chg Same Qtr Last Yr.....	7.17	4.13	0.28	0.71	-0.98	2.45	5.22	4.09	3.16	2.31	1.47	2.07	4.05	1.82	2.75
LEISURE & HOSPITALITY.....	15809	15682	16062	16775	15645	15564	16247	16966	15808	15683	16359	17067	16070	16058	16204
% Chg Same Qtr Last Yr.....	5.07	4.37	0.04	0.30	-1.03	-0.76	1.16	1.14	1.04	0.77	0.69	0.60	2.61	-0.07	0.91
OTHER SERVICES.....	29244	29231	29393	29533	29317	29602	29596	29863	29567	29735	29799	30067	29326	29512	29741
% Chg Same Qtr Last Yr.....	-0.26	-0.33	0.34	0.33	0.25	1.27	0.69	1.12	0.85	0.45	0.69	0.68	-0.47	0.64	0.78
GOVERNMENT.....	31798	32806	31486	31665	32175	33424	32278	32534	32838	33948	32800	32971	31945	32386	33030
% Chg Same Qtr Last Yr.....	1.61	-0.46	-0.30	-0.08	1.18	1.88	2.52	2.74	2.06	1.57	1.62	1.35	0.90	1.38	1.99
FEDERAL, CIVILIAN.....	52105	51901	51452	51414	51806	53130	53463	53097	53053	54153	54265	53909	51937	52453	53642
% Chg Same Qtr Last Yr.....	1.23	1.05	0.33	-1.68	-0.57	2.37	3.91	3.27	2.41	1.93	1.50	1.53	1.20	0.99	2.27
STATE & LOCAL.....	28978	30109	28817	29004	29408	30744	29482	29802	30032	31243	30023	30239	29189	29660	30275
% Chg Same Qtr Last Yr.....	1.81	-0.70	-0.29	0.53	1.48	2.11	2.31	2.75	2.12	1.62	1.84	1.47	0.92	1.61	2.07

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	33560	33455	33429	33633	33893	34141	34338	34491	34619	34770	34960	35097	33470	34001	34710
% Chg Prev Qtr SAAR.....	1.48	-1.25	-0.31	2.47	3.13	2.95	2.33	1.79	1.50	1.76	2.21	1.57	1.71	1.59	2.08
% Chg Same Qtr Last Yr.....	3.14	0.85	-0.24	0.59	0.99	2.05	2.72	2.55	2.14	1.84	1.81	1.76	1.71	1.59	2.08
NATURAL RESOURCES & MINING.....	35616	35917	35397	36001	36090	36304	36241	36428	36583	36753	36889	36992	35762	36159	36663
% Chg Prev Qtr SAAR.....	-5.45	3.42	-5.66	7.00	1.00	2.39	-0.69	2.08	1.71	1.88	1.48	1.13	5.62	1.11	1.39
% Chg Same Qtr Last Yr.....	6.13	3.94	3.75	-0.32	1.33	1.08	2.38	1.19	1.36	1.24	1.79	1.55	5.62	1.11	1.39
CONSTRUCTION.....	34787	34921	34280	34484	34739	34985	35118	35063	35101	35146	35369	35396	34535	34832	35170
% Chg Prev Qtr SAAR.....	7.66	1.55	-7.13	2.40	2.99	2.86	1.53	-0.62	0.43	0.52	2.56	0.31	0.18	0.86	0.97
% Chg Same Qtr Last Yr.....	1.74	-0.04	-0.75	0.98	-0.14	0.18	2.44	1.68	1.04	0.46	0.71	0.95	0.18	0.86	0.97
MANUFACTURING.....	39304	39296	39814	40115	40476	40743	40981	41374	41583	41793	42083	42286	39525	40579	41708
% Chg Prev Qtr SAAR.....	-3.79	-0.08	5.38	3.06	3.64	2.66	2.35	3.89	2.04	2.03	2.81	1.94	1.20	2.67	2.78
% Chg Same Qtr Last Yr.....	1.50	-0.51	-0.14	1.08	2.98	3.68	2.93	3.14	2.74	2.58	2.69	2.20	1.20	2.67	2.78
DURABLE GOODS.....	38729	38670	39014	39410	39853	40143	40397	40894	41079	41248	41539	41744	38914	39951	41190
% Chg Prev Qtr SAAR.....	-5.14	-0.60	3.60	4.12	4.58	2.95	2.55	5.01	1.82	1.65	2.85	1.99	1.18	2.66	3.10
% Chg Same Qtr Last Yr.....	2.19	-0.49	-0.34	0.42	2.90	3.81	3.54	3.77	3.08	2.75	2.83	2.08	1.18	2.66	3.10
NONDURABLE GOODS.....	40242	40319	41135	41285	41517	41748	41962	42186	42443	42728	43025	43228	40525	41628	42595
% Chg Prev Qtr SAAR.....	-1.58	0.77	8.34	1.47	2.26	2.25	2.07	2.15	2.46	2.72	2.80	1.90	1.27	2.72	2.32
% Chg Same Qtr Last Yr.....	0.50	-0.50	0.24	2.18	3.17	3.54	2.01	2.18	2.23	2.35	2.53	2.47	1.27	2.72	2.32
TRADE, TRANSPORTATION, UTILITIES.....	32429	32419	32228	32379	32622	32859	32999	33097	33251	33464	33592	33693	32311	32715	33351
% Chg Prev Qtr SAAR.....	3.26	-0.12	-2.34	1.89	3.03	2.95	1.71	1.19	1.87	2.58	1.54	1.21	2.92	1.25	1.94
% Chg Same Qtr Last Yr.....	4.71	2.27	0.15	0.65	0.60	1.36	2.39	2.22	1.93	1.84	1.80	1.80	2.92	1.25	1.94
WHOLESALE TRADE.....	46426	46498	46258	46601	47030	47497	47921	48163	48463	48804	49087	49338	46447	47262	48629
% Chg Prev Qtr SAAR.....	-1.55	0.62	-2.05	3.00	3.73	4.04	3.62	2.04	2.51	2.85	2.34	2.06	3.17	1.75	2.89
% Chg Same Qtr Last Yr.....	5.21	2.02	-0.21	-0.01	1.30	2.15	3.59	3.35	3.05	2.75	2.43	2.44	3.17	1.75	2.89
RETAIL TRADE.....	23311	23306	23185	23267	23459	23644	23649	23685	23797	23979	24024	24071	23209	23505	23871
% Chg Prev Qtr SAAR.....	4.87	-0.08	-2.07	1.43	3.33	3.20	0.07	0.62	1.91	3.08	0.77	0.77	3.49	1.27	1.56
% Chg Same Qtr Last Yr.....	4.63	3.27	1.29	1.01	0.64	1.45	2.00	1.80	1.44	1.41	1.59	1.63	3.49	1.27	1.56
TRANSPORTATION & UTILITIES.....	40585	40583	40370	40532	40744	40917	41134	41288	41428	41584	41759	41850	40390	40832	41515
% Chg Prev Qtr SAAR.....	5.73	-0.02	-2.08	1.61	2.11	1.71	2.14	1.50	1.36	1.52	1.70	0.87	2.25	1.09	1.67
% Chg Same Qtr Last Yr.....	4.50	1.87	-0.73	1.27	0.39	0.82	1.89	1.87	1.68	1.63	1.52	1.36	2.25	1.09	1.67
INFORMATION.....	41987	42483	42260	42654	43149	43655	44033	44357	44680	45057	45364	45762	42149	43373	44864
% Chg Prev Qtr SAAR.....	1.16	4.81	-2.08	3.78	4.72	4.77	3.51	2.98	2.94	3.42	2.75	3.55	5.16	2.90	3.44
% Chg Same Qtr Last Yr.....	7.34	6.09	1.68	1.88	2.77	2.76	4.19	3.99	3.55	3.21	3.02	3.17	5.16	2.90	3.44
FINANCIAL ACTIVITIES.....	44975	44864	45982	46110	46056	45992	46075	46158	46227	46271	46296	46265	45459	46058	46238
% Chg Prev Qtr SAAR.....	-8.73	-0.98	10.35	1.12	-0.47	-0.56	0.73	0.72	0.60	0.38	0.21	-0.26	-3.06	1.32	0.39
% Chg Same Qtr Last Yr.....	-2.03	-5.63	-3.75	0.21	2.40	2.51	0.20	0.10	0.37	0.61	0.48	0.23	-3.06	1.32	0.39

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) **December 2005**

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
PROFESSIONAL & BUSINESS SERVICES..	35194	35307	35121	35461	35816	36176	36390	36670	36961	37246	37530	37810	35224	35961	37102
% Chg Prev Qtr SAAR.....	-0.90	1.29	-2.09	3.93	4.07	4.08	2.38	3.12	3.20	3.13	3.08	3.02	2.46	2.09	3.17
% Chg Same Qtr Last Yr.....	4.12	1.49	0.66	0.53	1.77	2.46	3.61	3.41	3.19	2.96	3.13	3.11	2.46	2.09	3.17
EDUCATION & HEALTH SERVICES.....	37068	36332	35855	36266	36706	37216	37726	37749	37868	38076	38281	38530	36315	36979	37993
% Chg Prev Qtr SAAR.....	12.34	-7.71	-5.15	4.66	4.94	5.68	5.59	0.25	1.26	2.21	2.17	2.63	4.04	1.83	2.74
% Chg Same Qtr Last Yr.....	7.19	4.10	0.27	0.72	-0.98	2.43	5.22	4.09	3.16	2.31	1.47	2.07	4.04	1.83	2.74
LEISURE & HOSPITALITY.....	16178	16205	15932	15962	16011	16083	16116	16143	16177	16206	16226	16239	16057	16043	16188
% Chg Prev Qtr SAAR.....	6.79	0.68	-6.58	0.75	1.23	1.81	0.83	0.68	0.84	0.71	0.51	0.32	2.63	-0.09	0.91
% Chg Same Qtr Last Yr.....	4.82	4.38	0.04	0.30	-1.03	-0.76	1.16	1.14	1.04	0.77	0.69	0.60	2.63	-0.09	0.91
OTHER SERVICES.....	29374	29262	29410	29337	29463	29612	29614	29664	29714	29746	29817	29867	29316	29506	29735
% Chg Prev Qtr SAAR.....	2.14	-1.51	2.03	-0.99	1.74	2.04	0.02	0.69	0.68	0.42	0.96	0.68	-0.46	0.65	0.78
% Chg Same Qtr Last Yr.....	-0.15	-0.47	0.26	0.40	0.30	1.20	0.69	1.12	0.85	0.45	0.69	0.68	-0.46	0.65	0.78
GOVERNMENT.....	31975	31832	31919	32023	32276	32482	32721	32901	32941	32991	33251	33344	31938	32376	33021
% Chg Prev Qtr SAAR.....	-0.67	-1.77	1.09	1.32	3.20	2.58	2.98	2.22	0.48	0.61	3.18	1.13	0.92	1.37	1.99
% Chg Same Qtr Last Yr.....	1.61	-0.45	-0.28	-0.02	0.94	2.04	2.52	2.74	2.06	1.57	1.62	1.35	0.92	1.37	1.99
FEDERAL, CIVILIAN.....	52569	51484	51152	51694	52256	52702	53151	53386	53514	53716	53949	54202	51948	52451	53641
% Chg Prev Qtr SAAR.....	-0.14	-8.00	-2.55	4.30	4.42	3.46	3.46	1.78	0.96	1.52	1.74	1.89	1.20	0.97	2.27
% Chg Same Qtr Last Yr.....	1.19	1.04	0.42	-1.70	-0.59	2.37	3.91	3.27	2.41	1.93	1.50	1.53	1.20	0.97	2.27
STATE & LOCAL.....	29126	29126	29283	29335	29557	29743	29958	30142	30185	30225	30508	30585	29179	29648	30265
% Chg Prev Qtr SAAR.....	-0.74	0.01	2.17	0.70	3.07	2.54	2.92	2.47	0.57	0.54	3.79	1.01	0.94	1.61	2.08
% Chg Same Qtr Last Yr.....	1.81	-0.68	-0.30	0.53	1.48	2.12	2.31	2.75	2.12	1.62	1.83	1.47	0.94	1.61	2.08

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Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	37091	37406	37257	38446	38363	38845	38919	40049	39825	40248	40339	41542	37232	38643	40115
% Chg Same Qtr Last Yr.....	5.77	3.96	2.53	3.42	3.43	3.85	4.46	4.17	3.81	3.61	3.65	3.73	4.52	3.79	3.81
NATURAL RESOURCES & MINING.....	38952	39836	39741	41639	40394	41025	41378	42797	41614	42256	42876	44299	39797	41109	42386
% Chg Same Qtr Last Yr.....	8.78	7.28	6.66	2.41	3.70	2.99	4.12	2.78	3.02	3.00	3.62	3.51	8.56	3.30	3.11
CONSTRUCTION.....	38267	37942	38157	40865	39117	38701	39752	42205	40169	39557	40758	43429	38435	39609	40672
% Chg Same Qtr Last Yr.....	4.52	3.08	2.05	3.79	2.22	2.00	4.18	3.28	2.69	2.21	2.53	2.90	3.08	3.05	2.68
MANUFACTURING.....	43475	43873	44639	45611	45823	46320	46727	47779	47845	48344	48851	49773	43972	46120	48205
% Chg Same Qtr Last Yr.....	4.06	2.57	2.67	3.90	5.40	5.58	4.68	4.76	4.41	4.37	4.55	4.17	4.00	4.89	4.52
DURABLE GOODS.....	42781	43272	43795	44714	45059	45739	46116	47127	47204	47816	48275	49035	43292	45407	47605
% Chg Same Qtr Last Yr.....	4.79	2.58	2.46	3.22	5.33	5.70	5.30	5.40	4.76	4.54	4.68	4.05	3.98	4.89	4.84
NONDURABLE GOODS.....	44613	44850	46029	47106	47105	47290	47751	48890	48942	49245	49844	51064	45084	47313	49230
% Chg Same Qtr Last Yr.....	3.02	2.60	3.05	5.04	5.59	5.44	3.74	3.79	3.90	4.13	4.38	4.45	4.08	4.94	4.05
TRADE, TRANSPORTATION, UTILITIES.....	36129	36310	35473	37129	37240	37422	36938	38550	38579	38773	38279	40002	35930	37182	38545
% Chg Same Qtr Last Yr.....	7.38	5.41	2.77	3.69	3.08	3.06	4.13	3.83	3.59	3.61	3.63	3.77	5.74	3.49	3.67
WHOLESALE TRADE.....	51315	51945	51867	52988	53202	54021	54642	55627	55718	56474	56981	58086	51670	53714	56200
% Chg Same Qtr Last Yr.....	7.85	5.15	2.61	2.78	3.68	4.00	5.35	4.98	4.73	4.54	4.28	4.42	6.02	3.95	4.63
RETAIL TRADE.....	26096	26201	25291	26690	26886	27062	26235	27598	27719	27923	27132	28588	25825	26718	27593
% Chg Same Qtr Last Yr.....	7.32	6.43	4.14	3.82	3.03	3.28	3.73	3.40	3.10	3.18	3.42	3.59	6.38	3.46	3.27
TRANSPORTATION & UTILITIES.....	45047	45164	44991	46349	46294	46362	46620	47958	47841	47938	48182	49550	44933	46406	47980
% Chg Same Qtr Last Yr.....	7.18	5.00	2.07	4.08	2.77	2.65	3.62	3.47	3.34	3.40	3.35	3.32	5.08	3.28	3.39
INFORMATION.....	46600	47502	47090	48564	49018	49696	49896	51298	51587	52186	52331	53945	46892	49294	51851
% Chg Same Qtr Last Yr.....	10.15	9.42	4.55	4.72	5.19	4.62	5.96	5.63	5.24	5.01	4.88	5.16	8.32	5.12	5.19
FINANCIAL ACTIVITIES.....	49789	49956	51568	52517	52189	52139	52548	53399	53238	53370	53751	54558	50575	52348	53440
% Chg Same Qtr Last Yr.....	0.46	-2.69	-1.03	3.00	4.82	4.37	1.90	1.68	2.01	2.36	2.29	2.17	-0.27	3.51	2.08
PROFESSIONAL & BUSINESS SERVICES..	38985	39340	39209	40525	40610	41039	41315	42568	42592	42989	43376	44738	39188	40872	42881
% Chg Same Qtr Last Yr.....	6.59	4.64	3.50	3.33	4.17	4.32	5.37	5.04	4.88	4.75	4.99	5.10	5.14	4.30	4.91
EDUCATION & HEALTH SERVICES.....	41083	40756	40062	41102	41638	42510	42867	43457	43658	44249	44281	45213	40401	42029	43911
% Chg Same Qtr Last Yr.....	9.89	7.33	3.11	3.52	1.35	4.31	7.00	5.73	4.85	4.09	3.30	4.04	6.92	4.03	4.48
LEISURE & HOSPITALITY.....	17521	17535	18055	18955	17749	17718	18573	19473	18227	18164	19037	19967	17875	18249	18725
% Chg Same Qtr Last Yr.....	7.74	7.57	2.86	3.09	1.30	1.04	2.87	2.73	2.69	2.52	2.50	2.54	5.45	2.09	2.61
OTHER SERVICES.....	32411	32684	33040	33372	33259	33699	33833	34276	34090	34440	34679	35178	32624	33541	34371
% Chg Same Qtr Last Yr.....	2.27	2.73	3.17	3.13	2.62	3.10	2.40	2.71	2.50	2.20	2.50	2.63	2.30	2.81	2.48
GOVERNMENT.....	35243	36681	35393	35781	36501	38050	36899	37342	37862	39319	38171	38575	35539	36808	38173
% Chg Same Qtr Last Yr.....	4.19	2.60	2.52	2.70	3.57	3.73	4.25	4.36	3.73	3.34	3.45	3.30	3.69	3.57	3.71
FEDERAL, CIVILIAN.....	57749	58032	57837	58097	58772	60483	61117	60944	61170	62721	63152	63071	57777	59617	61996
% Chg Same Qtr Last Yr.....	3.80	4.15	3.16	1.06	1.77	4.22	5.67	4.90	4.08	3.70	3.33	3.49	4.00	3.19	3.99
STATE & LOCAL.....	32117	33666	32393	32774	33362	34999	33702	34206	34627	36186	34939	35378	32474	33709	34990
% Chg Same Qtr Last Yr.....	4.39	2.35	2.53	3.33	3.88	3.96	4.04	4.37	3.79	3.39	3.67	3.43	3.72	3.80	3.80

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Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **December 2005**

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL NONFARM.....	37196	37408	37578	38005	38451	38866	39253	39588	39916	40272	40685	41062	37235	38644	40115
% Chg Prev Qtr SAAR.....	4.83	2.30	1.83	4.63	4.78	4.39	4.05	3.45	3.36	3.61	4.17	3.75	4.52	3.78	3.81
% Chg Same Qtr Last Yr.....	5.75	3.95	2.58	3.39	3.37	3.90	4.46	4.16	3.81	3.62	3.65	3.72	4.52	3.78	3.81
NATURAL RESOURCES & MINING.....	39474	40160	39790	40680	40943	41329	41429	41811	42180	42568	42929	43279	39783	41095	42372
% Chg Prev Qtr SAAR.....	-2.33	7.14	-3.63	9.26	2.61	3.82	0.98	3.74	3.57	3.74	3.43	3.30	8.53	3.30	3.11
% Chg Same Qtr Last Yr.....	8.82	7.13	6.68	2.45	3.72	2.91	4.12	2.78	3.02	3.00	3.62	3.51	8.53	3.30	3.11
CONSTRUCTION.....	38555	39046	38535	38967	39411	39827	40145	40245	40471	40707	41161	41412	38420	39587	40646
% Chg Prev Qtr SAAR.....	11.21	5.20	-5.14	4.56	4.64	4.29	3.24	0.99	2.26	2.36	4.53	2.46	2.96	3.04	2.67
% Chg Same Qtr Last Yr.....	4.32	3.03	2.05	3.79	2.22	2.00	4.18	3.28	2.69	2.21	2.53	2.90	2.96	3.04	2.67
MANUFACTURING.....	43561	43939	44755	45330	45918	46382	46847	47488	47945	48405	48975	49472	43971	46119	48203
% Chg Prev Qtr SAAR.....	-0.61	3.51	7.64	5.24	5.30	4.10	4.07	5.58	3.91	3.89	4.79	4.13	3.99	4.89	4.52
% Chg Same Qtr Last Yr.....	4.07	2.54	2.68	3.90	5.41	5.56	4.67	4.76	4.41	4.36	4.54	4.18	3.99	4.89	4.52
DURABLE GOODS.....	42924	43239	43856	44532	45212	45699	46180	46937	47364	47774	48341	48838	43290	45406	47604
% Chg Prev Qtr SAAR.....	-2.01	2.97	5.83	6.32	6.25	4.38	4.27	6.72	3.69	3.51	4.83	4.18	3.98	4.89	4.84
% Chg Same Qtr Last Yr.....	4.78	2.56	2.47	3.22	5.33	5.69	5.30	5.40	4.76	4.54	4.68	4.05	3.98	4.89	4.84
NONDURABLE GOODS.....	44602	45083	46240	46652	47099	47526	47969	48420	48936	49489	50070	50574	45085	47312	49229
% Chg Prev Qtr SAAR.....	1.67	4.39	10.67	3.61	3.89	3.68	3.78	3.81	4.33	4.60	4.78	4.09	4.06	4.94	4.05
% Chg Same Qtr Last Yr.....	3.05	2.56	3.07	5.03	5.60	5.42	3.74	3.79	3.90	4.13	4.38	4.45	4.06	4.94	4.05
TRADE, TRANSPORTATION, UTILITIES.....	35941	36249	36227	36588	37008	37407	37723	37988	38338	38758	39093	39420	35946	37182	38544
% Chg Prev Qtr SAAR.....	6.67	3.47	-0.24	4.04	4.68	4.38	3.42	2.84	3.74	4.45	3.50	3.39	5.76	3.44	3.67
% Chg Same Qtr Last Yr.....	7.37	5.41	2.98	3.46	2.97	3.19	4.13	3.83	3.59	3.61	3.63	3.77	5.76	3.44	3.67
WHOLESALE TRADE.....	51455	51991	51999	52658	53353	54071	54781	55280	55877	56526	57125	57724	51671	53716	56202
% Chg Prev Qtr SAAR.....	1.70	4.23	0.06	5.17	5.39	5.49	5.36	3.70	4.39	4.72	4.31	4.26	6.01	3.96	4.63
% Chg Same Qtr Last Yr.....	7.88	5.16	2.60	2.77	3.69	4.00	5.35	4.98	4.73	4.54	4.28	4.42	6.01	3.96	4.63
RETAIL TRADE.....	25836	26059	26062	26292	26613	26917	27034	27186	27438	27773	27959	28161	25820	26714	27589
% Chg Prev Qtr SAAR.....	8.33	3.51	0.04	3.57	4.99	4.64	1.75	2.26	3.77	4.96	2.70	2.93	6.35	3.46	3.27
% Chg Same Qtr Last Yr.....	7.29	6.44	4.15	3.82	3.01	3.29	3.73	3.40	3.10	3.18	3.42	3.59	6.35	3.46	3.27
TRANSPORTATION & UTILITIES.....	44981	45377	45380	45800	46222	46580	47022	47389	47766	48163	48598	48963	44935	46406	47979
% Chg Prev Qtr SAAR.....	9.22	3.57	0.02	3.76	3.74	3.13	3.86	3.16	3.22	3.37	3.65	3.04	5.07	3.27	3.39
% Chg Same Qtr Last Yr.....	7.16	4.99	2.07	4.09	2.76	2.65	3.62	3.47	3.34	3.40	3.35	3.32	5.07	3.27	3.39
INFORMATION.....	46535	47502	47505	48198	48950	49696	50336	50912	51515	52186	52792	53539	46892	49295	51851
% Chg Prev Qtr SAAR.....	4.50	8.57	0.02	5.97	6.39	6.24	5.25	4.66	4.83	5.31	4.73	5.78	8.07	5.13	5.19
% Chg Same Qtr Last Yr.....	10.07	9.34	4.55	4.72	5.19	4.62	5.96	5.63	5.24	5.01	4.88	5.16	8.07	5.13	5.19
FINANCIAL ACTIVITIES.....	49847	50165	51689	52104	52249	52357	52671	52979	53300	53592	53877	54128	50571	52345	53437
% Chg Prev Qtr SAAR.....	-5.72	2.58	12.72	3.25	1.12	0.83	2.42	2.36	2.44	2.22	2.14	1.88	-0.38	3.51	2.09
% Chg Same Qtr Last Yr.....	0.46	-2.74	-1.03	3.00	4.82	4.37	1.90	1.68	2.01	2.36	2.29	2.17	-0.38	3.51	2.09

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
PROFESSIONAL & BUSINESS SERVICES...	39006	39478	39479	40070	40632	41183	41599	42089	42615	43139	43675	44236	39185	40871	42880
% Chg Prev Qtr SAAR.....	2.37	4.93	0.02	6.12	5.74	5.53	4.10	4.80	5.09	5.01	5.06	5.24	5.29	4.30	4.91
% Chg Same Qtr Last Yr.....	6.76	4.60	3.50	3.33	4.17	4.32	5.37	5.04	4.88	4.75	4.99	5.10	5.29	4.30	4.91
EDUCATION & HEALTH SERVICES.....	41083	40624	40305	40980	41642	42367	43126	43328	43661	44100	44549	45078	40399	42029	43910
% Chg Prev Qtr SAAR.....	16.05	-4.39	-3.11	6.87	6.62	7.15	7.36	1.88	3.11	4.08	4.14	4.83	6.91	4.03	4.48
% Chg Same Qtr Last Yr.....	9.91	7.30	3.10	3.53	1.36	4.29	7.00	5.73	4.85	4.09	3.30	4.04	6.91	4.03	4.48
LEISURE & HOSPITALITY.....	17930	18120	17909	18036	18163	18308	18423	18529	18652	18770	18884	18999	17864	18233	18709
% Chg Prev Qtr SAAR.....	10.31	4.30	-4.58	2.88	2.85	3.23	2.53	2.32	2.69	2.55	2.45	2.48	5.48	2.07	2.61
% Chg Same Qtr Last Yr.....	7.48	7.59	2.86	3.09	1.30	1.04	2.87	2.73	2.69	2.52	2.50	2.54	5.48	2.07	2.61
OTHER SERVICES.....	32556	32719	33060	33150	33425	33710	33853	34048	34260	34452	34699	34944	32614	33534	34365
% Chg Prev Qtr SAAR.....	5.51	2.02	4.23	1.10	3.36	3.46	1.70	2.33	2.52	2.26	2.90	2.85	2.31	2.82	2.48
% Chg Same Qtr Last Yr.....	2.38	2.58	3.09	3.20	2.67	3.03	2.40	2.71	2.50	2.20	2.50	2.63	2.31	2.82	2.48
GOVERNMENT.....	35438	35593	35880	36185	36616	36978	37406	37764	37981	38211	38696	39011	35530	36796	38163
% Chg Prev Qtr SAAR.....	2.61	1.76	3.26	3.45	4.84	4.01	4.71	3.88	2.32	2.45	5.17	3.30	3.71	3.56	3.71
% Chg Same Qtr Last Yr.....	4.19	2.60	2.54	2.77	3.32	3.89	4.25	4.36	3.73	3.34	3.45	3.30	3.71	3.56	3.71
FEDERAL, CIVILIAN.....	58263	57566	57500	58413	59282	59996	60760	61275	61701	62216	62784	63414	57785	59613	61994
% Chg Prev Qtr SAAR.....	3.16	-4.70	-0.46	6.50	6.09	4.90	5.20	3.43	2.81	3.38	3.70	4.07	4.00	3.16	3.99
% Chg Same Qtr Last Yr.....	3.76	4.14	3.25	1.04	1.75	4.22	5.67	4.90	4.08	3.70	3.33	3.49	4.00	3.16	3.99
STATE & LOCAL.....	32280	32567	32917	33147	33532	33860	34247	34596	34803	35008	35504	35783	32461	33696	34978
% Chg Prev Qtr SAAR.....	2.53	3.60	4.37	2.83	4.72	3.97	4.65	4.14	2.41	2.38	5.79	3.18	3.73	3.81	3.80
% Chg Same Qtr Last Yr.....	4.39	2.37	2.51	3.33	3.88	3.97	4.04	4.37	3.79	3.39	3.67	3.43	3.73	3.81	3.80

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted**December 2005**

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
CIVILIAN LABOR FORCE (THOUS).....	2895	2910	2932	2882	2907	2937	2930	2892	2927	2958	2954	2916	2905	2914	2933
% Chg Same Qtr Last Yr.....	-0.38	-0.25	0.62	-0.03	0.40	0.93	-0.04	0.33	0.71	0.71	0.81	0.82	-0.10	0.31	0.64
EMPLOYED PERSONS (THOUS).....	2725	2757	2779	2720	2758	2783	2780	2729	2777	2803	2803	2752	2741	2760	2778
% Chg Same Qtr Last Yr.....	-1.17	-0.15	0.64	0.70	1.19	0.96	0.02	0.33	0.71	0.72	0.82	0.82	-0.40	0.71	0.65
UNEMPLOYED PERSONS (THOUS).....	170	153	152	162	149	154	151	163	150	155	151	164	164	154	155
% Chg Same Qtr Last Yr.....	14.36	-1.89	0.20	-10.92	-12.31	0.43	-1.16	0.37	0.76	0.62	0.58	0.74	5.30	-6.37	0.58
PARTICIPATION RATE (PERCENT).....	61.8	62.0	62.3	61.1	61.4	61.9	61.6	60.6	61.2	61.7	61.5	60.5	61.9	61.5	61.2
% Chg Same Qtr Last Yr.....	-0.71	-0.76	-0.09	-0.91	-0.66	-0.13	-1.09	-0.72	-0.34	-0.32	-0.22	-0.20	-0.63	-0.70	-0.40
UNEMPLOYMENT RATE (PERCENT).....	5.9	5.3	5.2	5.6	5.1	5.2	5.1	5.6	5.1	5.2	5.1	5.6	5.7	5.3	5.3

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
CIVILIAN LABOR FORCE (THOUS).....	2898	2887	2920	2914	2909	2914	2918	2924	2929	2935	2942	2947	2904	2914	2932
% Chg Prev Qtr SAAR.....	-2.17	-1.48	4.63	-0.78	-0.74	0.71	0.65	0.72	0.78	0.72	1.02	0.75	-0.12	0.32	0.64
% Chg Same Qtr Last Yr.....	-0.48	-0.35	0.62	0.01	0.38	0.93	-0.04	0.33	0.71	0.71	0.81	0.82	-0.12	0.32	0.64
EMPLOYED PERSONS (THOUS).....	2724	2734	2764	2761	2756	2761	2765	2770	2776	2781	2788	2793	2741	2761	2778
% Chg Prev Qtr SAAR.....	-2.62	1.60	4.45	-0.50	-0.71	0.68	0.62	0.74	0.80	0.72	1.02	0.74	-0.39	0.72	0.65
% Chg Same Qtr Last Yr.....	-1.16	-0.27	0.64	0.70	1.19	0.96	0.02	0.33	0.71	0.72	0.82	0.82	-0.39	0.72	0.65
UNEMPLOYED PERSONS (THOUS).....	174	152	155	153	153	153	154	154	154	154	154	155	163	153	154
% Chg Prev Qtr SAAR.....	5.18	-41.19	7.88	-5.65	-1.23	1.19	1.21	0.33	0.31	0.63	1.05	0.97	4.72	-6.32	0.58
% Chg Same Qtr Last Yr.....	11.60	-1.64	0.20	-10.92	-12.31	0.43	-1.16	0.37	0.76	0.62	0.58	0.74	4.72	-6.32	0.58
PARTICIPATION RATE (PERCENT).....	61.9	61.5	62.0	61.7	61.5	61.4	61.3	61.3	61.3	61.2	61.2	61.2	61.9	61.5	61.2
% Chg Prev Qtr SAAR.....	-2.50	-2.52	3.52	-1.83	-1.78	-0.35	-0.41	-0.33	-0.27	-0.28	0.02	-0.24	-0.65	-0.69	-0.40
% Chg Same Qtr Last Yr.....	-0.81	-0.86	-0.09	-0.86	-0.68	-0.13	-1.09	-0.72	-0.34	-0.32	-0.22	-0.20	-0.65	-0.69	-0.40
UNEMPLOYMENT RATE (PERCENT).....	6.0	5.3	5.3	5.3	5.2	5.3	5.3	5.3	5.2	5.2	5.2	5.3	5.6	5.3	5.3

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2000 dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL TAXABLE SALES.....	19540	19641	20891	18285	20193	20262	21566	19059	20894	20955	22264	19668	78013	80307	83172
% Chg Same Qtr Last Yr.....	3.73	4.09	4.42	1.92	3.34	3.16	3.23	4.23	3.47	3.42	3.23	3.20	3.81	2.94	3.57
AUTO DEALERS.....	2226	2325	1935	2055	2206	2354	2041	2156	2300	2451	2114	2223	8596	8656	9021
% Chg Same Qtr Last Yr.....	0.94	-1.64	-3.81	-2.60	-0.91	1.25	5.46	4.92	4.28	4.10	3.59	3.09	-1.37	0.69	4.22
PURCHASES FROM MANUFACTURERS.....	1092	1094	1135	996	1116	1129	1172	1044	1151	1162	1208	1074	4293	4413	4565
% Chg Same Qtr Last Yr.....	17.13	9.65	10.73	2.52	2.11	3.20	3.29	4.79	3.17	2.94	3.05	2.88	11.89	2.79	3.45
MISC DURABLE GOODS.....	3615	3666	3801	3392	3960	3897	3973	3571	4109	4066	4140	3723	14252	15222	15886
% Chg Same Qtr Last Yr.....	6.56	9.43	12.26	7.01	9.53	6.30	4.54	5.26	3.76	4.34	4.20	4.28	8.79	6.81	4.36
EATING AND DRINKING PLACES.....	1847	1807	1761	1714	1865	1871	1828	1787	1937	1945	1898	1856	7114	7279	7567
% Chg Same Qtr Last Yr.....	6.34	2.13	1.98	0.84	0.99	3.53	3.84	4.26	3.88	3.95	3.80	3.88	3.49	2.31	3.97
FOOD STORES.....	1647	1678	1767	1583	1686	1695	1785	1602	1702	1710	1799	1614	6682	6749	6813
% Chg Same Qtr Last Yr.....	-0.47	0.99	-0.67	-0.46	2.35	1.02	1.02	1.19	0.95	0.90	0.79	0.74	0.26	1.00	0.95
LIQUOR STORES.....	106	104	133	99	104	100	133	102	106	103	136	104	441	436	447
% Chg Same Qtr Last Yr.....	7.04	4.54	3.37	0.30	-1.87	-3.88	0.08	2.82	2.45	2.44	2.29	2.30	4.31	-1.28	2.48
HOTELS AND MOTELS.....	491	507	463	362	477	496	460	372	487	507	469	379	1830	1795	1834
% Chg Same Qtr Last Yr.....	7.36	4.89	4.20	-1.70	-2.94	-2.09	-0.72	2.67	2.12	2.10	1.96	1.96	5.28	-1.89	2.18
OTHER RETAIL AND SERVICE.....	5529	5401	6520	5234	5666	5650	6769	5484	5899	5860	7009	5681	22625	23318	24252
% Chg Same Qtr Last Yr.....	3.61	2.48	4.80	1.12	2.49	4.62	3.81	4.78	4.10	3.72	3.55	3.60	3.64	3.06	4.00
MISC NONDURABLE GOODS.....	1495	1509	1833	1456	1536	1544	1887	1506	1583	1591	1941	1550	6288	6423	6621
% Chg Same Qtr Last Yr.....	3.29	4.44	3.57	0.28	2.74	2.36	2.93	3.45	3.04	3.04	2.88	2.91	3.92	2.14	3.08
TRANSPORTATION, COMMUNICATION.....	1492	1551	1543	1394	1578	1525	1519	1435	1620	1561	1550	1463	5890	6016	6166
% Chg Same Qtr Last Yr.....	-5.27	8.48	1.84	6.88	5.77	-1.64	-1.58	2.98	2.66	2.32	2.03	1.93	-0.45	2.14	2.49
PER CAPITA (\$)......	3276	3285	3487	3045	3355	3359	3568	3146	3441	3444	3651	3218	13063	13328	13683
% Chg Same Qtr Last Yr.....	2.61	3.02	3.40	0.97	2.43	2.26	2.33	3.32	2.57	2.52	2.33	2.30	2.74	2.02	2.67

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL TAXABLE SALES.....	19371	19526	19734	19718	20011	20149	20374	20553	20706	20838	21034	21210	77973	80253	83130
% Chg Prev Qtr SAAR.....	0.60	3.25	4.32	-0.32	6.07	2.80	4.54	3.55	3.01	2.58	3.83	3.38	3.77	2.92	3.59
% Chg Same Qtr Last Yr.....	3.84	4.00	4.32	1.95	3.31	3.19	3.24	4.23	3.47	3.42	3.24	3.20	3.77	2.92	3.59
AUTO DEALERS.....	2173	2147	2090	2123	2154	2174	2204	2227	2246	2263	2284	2296	8590	8655	9020
% Chg Prev Qtr SAAR.....	-1.14	-4.74	-10.21	6.43	5.91	3.82	5.71	4.24	3.35	3.11	3.68	2.23	-1.40	0.75	4.21
% Chg Same Qtr Last Yr.....	0.94	-1.79	-3.81	-2.60	-0.91	1.25	5.46	4.92	4.28	4.10	3.59	3.09	-1.40	0.75	4.21
PURCHASES FROM MANUFACTURERS.....	1080	1077	1081	1079	1103	1112	1117	1131	1138	1144	1151	1163	4291	4411	4564
% Chg Prev Qtr SAAR.....	11.02	-1.16	1.65	-0.95	9.24	3.12	2.01	4.93	2.66	2.18	2.46	4.24	11.86	2.78	3.48
% Chg Same Qtr Last Yr.....	17.60	9.47	10.73	2.52	2.11	3.20	3.29	4.79	3.17	2.94	3.05	2.88	11.86	2.78	3.48
MISC DURABLE GOODS.....	3472	3588	3708	3710	3803	3814	3877	3906	3946	3979	4040	4073	14236	15204	15871
% Chg Prev Qtr SAAR.....	0.57	13.98	14.13	0.22	10.38	1.15	6.75	3.02	4.22	3.40	6.20	3.30	8.72	6.80	4.39
% Chg Same Qtr Last Yr.....	6.85	9.00	12.26	7.01	9.53	6.30	4.54	5.26	3.76	4.34	4.20	4.28	8.72	6.80	4.39
EATING AND DRINKING PLACES.....	1794	1762	1784	1789	1812	1825	1853	1865	1882	1897	1923	1937	7114	7278	7567
% Chg Prev Qtr SAAR.....	4.74	-6.95	5.02	1.04	5.35	2.79	6.28	2.66	3.81	3.06	5.68	2.96	3.47	2.30	3.97
% Chg Same Qtr Last Yr.....	6.37	2.13	1.98	0.84	0.99	3.53	3.84	4.26	3.88	3.95	3.80	3.88	3.47	2.30	3.97
FOOD STORES.....	1655	1679	1655	1687	1694	1697	1672	1707	1710	1712	1685	1719	6684	6749	6814
% Chg Prev Qtr SAAR.....	-8.92	6.00	-5.61	7.74	1.77	0.64	-5.61	8.48	0.78	0.44	-6.03	8.30	0.28	0.98	0.96
% Chg Same Qtr Last Yr.....	-0.48	0.95	-0.67	-0.46	2.35	1.02	1.02	1.19	0.95	0.90	0.79	0.74	0.28	0.98	0.96
LIQUOR STORES.....	111	113	110	108	109	109	110	111	111	112	113	113	441	435	446
% Chg Prev Qtr SAAR.....	13.24	10.61	-11.37	-8.83	3.75	1.82	4.18	1.55	2.30	1.75	3.59	1.58	4.34	-1.37	2.50
% Chg Same Qtr Last Yr.....	7.06	4.38	3.37	0.30	-1.87	-3.88	0.08	2.82	2.45	2.44	2.29	2.30	4.34	-1.37	2.50
HOTELS AND MOTELS.....	461	459	457	443	448	449	454	455	457	459	462	464	1828	1794	1833
% Chg Prev Qtr SAAR.....	9.59	-1.91	-1.93	-11.44	4.18	1.55	3.69	1.29	1.96	1.46	3.14	1.27	5.21	-1.87	2.21
% Chg Same Qtr Last Yr.....	7.44	4.86	4.20	-1.70	-2.94	-2.09	-0.72	2.67	2.12	2.10	1.96	1.96	5.21	-1.87	2.21
OTHER RETAIL AND SERVICE.....	5651	5596	5722	5704	5792	5854	5940	5977	6030	6072	6151	6193	22611	23291	24230
% Chg Prev Qtr SAAR.....	0.72	-3.87	9.35	-1.25	6.31	4.34	6.00	2.52	3.57	2.84	5.31	2.71	3.57	3.01	4.03
% Chg Same Qtr Last Yr.....	3.68	2.43	4.80	1.12	2.49	4.62	3.81	4.78	4.10	3.72	3.55	3.60	3.57	3.01	4.03
MISC NONDURABLE GOODS.....	1556	1571	1582	1581	1599	1608	1628	1636	1648	1657	1675	1684	6286	6416	6615
% Chg Prev Qtr SAAR.....	-5.15	3.79	2.76	-0.04	4.52	2.27	5.03	2.00	2.89	2.26	4.39	2.11	3.96	2.08	3.10
% Chg Same Qtr Last Yr.....	3.45	4.33	3.57	0.28	2.74	2.36	2.93	3.45	3.04	3.04	2.88	2.91	3.96	2.08	3.10
TRANSPORTATION, COMMUNICATION.....	1416	1533	1544	1494	1497	1508	1519	1539	1537	1543	1550	1568	5891	6019	6169
% Chg Prev Qtr SAAR.....	5.16	37.57	2.80	-12.24	0.87	2.85	3.06	5.18	-0.36	1.48	1.91	4.76	-0.46	2.18	2.50
% Chg Same Qtr Last Yr.....	-5.34	8.81	1.84	6.88	5.77	-1.64	-1.58	2.98	2.66	2.32	2.03	1.93	-0.46	2.18	2.50
PER CAPITA (\$).....	3247	3266	3294	3284	3325	3341	3371	3393	3410	3425	3449	3471	13058	13320	13677
% Chg Prev Qtr SAAR.....	-0.48	2.34	3.41	-1.20	5.14	1.90	3.63	2.64	2.12	1.68	2.92	2.49	2.70	2.01	2.68
% Chg Same Qtr Last Yr.....	2.72	2.93	3.30	1.00	2.40	2.29	2.34	3.32	2.57	2.51	2.34	2.30	2.70	2.01	2.68

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL TAXABLE SALES.....	21657	21962	23483	20662	22908	23066	24654	21875	24091	24271	25909	23011	86825	91290	96146
% Chg Same Qtr Last Yr.....	6.36	7.29	7.36	4.76	5.78	5.03	4.98	5.87	5.16	5.22	5.09	5.19	6.70	5.14	5.32
AUTO DEALERS.....	2467	2600	2175	2322	2502	2680	2333	2475	2652	2838	2461	2601	9562	9838	10425
% Chg Same Qtr Last Yr.....	3.50	1.38	-1.10	0.11	1.43	3.08	7.25	6.57	5.98	5.91	5.46	5.08	1.37	2.88	5.98
PURCHASES FROM MANUFACTURERS.....	1211	1223	1276	1126	1266	1285	1340	1198	1327	1346	1406	1257	4778	5017	5278
% Chg Same Qtr Last Yr.....	20.11	13.02	13.85	5.38	4.52	5.07	5.04	6.44	4.86	4.73	4.91	4.87	15.00	4.99	5.19
MISC DURABLE GOODS.....	4007	4099	4272	3833	4492	4436	4542	4098	4737	4709	4818	4356	15863	17304	18363
% Chg Same Qtr Last Yr.....	9.26	12.79	15.43	9.99	12.11	8.23	6.31	6.92	5.46	6.16	6.08	6.29	11.83	9.08	6.12
EATING AND DRINKING PLACES.....	2047	2021	1979	1937	2116	2130	2090	2051	2233	2253	2209	2172	7915	8273	8746
% Chg Same Qtr Last Yr.....	9.03	5.27	4.86	3.65	3.37	5.41	5.60	5.90	5.57	5.76	5.67	5.88	6.36	4.52	5.72
FOOD STORES.....	1826	1876	1986	1789	1913	1929	2041	1839	1962	1981	2094	1888	7436	7671	7875
% Chg Same Qtr Last Yr.....	2.05	4.09	2.13	2.32	4.76	2.85	2.73	2.79	2.60	2.66	2.60	2.69	3.03	3.16	2.66
LIQUOR STORES.....	117	117	149	112	118	114	152	117	123	119	158	122	491	495	516
% Chg Same Qtr Last Yr.....	9.75	7.75	6.29	3.09	0.44	-2.14	1.78	4.43	4.13	4.22	4.14	4.28	7.21	0.82	4.22
HOTELS AND MOTELS.....	544	567	520	409	541	565	525	427	561	587	545	444	2037	2041	2120
% Chg Same Qtr Last Yr.....	10.08	8.11	7.14	1.03	-0.65	-0.32	0.96	4.29	3.79	3.87	3.80	3.93	8.21	0.19	3.91
OTHER RETAIL AND SERVICE.....	6127	6039	7330	5914	6428	6432	7737	6294	6801	6787	8157	6647	25185	26511	28040
% Chg Same Qtr Last Yr.....	6.23	5.63	7.76	3.94	4.91	6.51	5.57	6.43	5.80	5.53	5.42	5.60	6.52	5.27	5.76
MISC NONDURABLE GOODS.....	1657	1687	2060	1645	1742	1758	2157	1729	1825	1843	2259	1813	7000	7302	7655
% Chg Same Qtr Last Yr.....	5.91	7.65	6.50	3.07	5.17	4.22	4.67	5.08	4.72	4.83	4.73	4.90	6.81	4.31	4.83
TRANSPORTATION, COMMUNICATION.....	1654	1734	1735	1575	1791	1736	1736	1648	1868	1808	1803	1712	6556	6838	7127
% Chg Same Qtr Last Yr.....	-2.86	11.81	4.71	9.86	8.27	0.14	0.09	4.60	4.34	4.10	3.87	3.90	2.35	4.30	4.22
PER CAPITA (\$)......	3630	3673	3919	3441	3807	3824	4079	3611	3968	3989	4249	3765	14538	15150	15817
% Chg Same Qtr Last Yr.....	5.22	6.18	6.31	3.79	4.85	4.11	4.06	4.95	4.24	4.31	4.18	4.28	5.59	4.21	4.40

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Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

December 2005

	History		Forecast Data										Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2005	2006	2007
TOTAL TAXABLE SALES.....	21469	21833	22183	22281	22702	22938	23291	23590	23874	24135	24479	24815	86749	91212	96077
% Chg Prev Qtr SAAR.....	3.92	6.96	6.57	1.78	7.77	4.23	6.30	5.23	4.90	4.45	5.82	5.60	6.65	5.15	5.33
% Chg Same Qtr Last Yr.....	6.47	7.19	7.26	4.79	5.74	5.06	4.99	5.87	5.16	5.22	5.10	5.19	6.65	5.15	5.33
AUTO DEALERS.....	2409	2401	2350	2399	2443	2475	2520	2557	2589	2621	2657	2686	9555	9837	10424
% Chg Prev Qtr SAAR.....	2.13	-1.31	-8.28	8.67	7.60	5.27	7.49	5.94	5.24	4.99	5.67	4.42	1.33	2.95	5.97
% Chg Same Qtr Last Yr.....	3.50	1.22	-1.10	0.11	1.43	3.08	7.25	6.57	5.98	5.91	5.46	5.08	1.33	2.95	5.97
PURCHASES FROM MANUFACTURERS....	1197	1204	1216	1219	1251	1265	1277	1298	1312	1325	1340	1361	4774	5013	5275
% Chg Prev Qtr SAAR.....	14.69	2.39	3.84	1.14	10.99	4.56	3.72	6.64	4.54	4.04	4.44	6.48	14.97	5.00	5.22
% Chg Same Qtr Last Yr.....	20.59	12.83	13.85	5.38	4.52	5.07	5.04	6.44	4.86	4.73	4.91	4.87	14.97	5.00	5.22
MISC DURABLE GOODS.....	3849	4012	4169	4193	4315	4342	4432	4483	4550	4609	4701	4765	15841	17281	18343
% Chg Prev Qtr SAAR.....	3.89	18.07	16.58	2.34	12.15	2.56	8.54	4.69	6.13	5.29	8.24	5.52	11.75	9.09	6.15
% Chg Same Qtr Last Yr.....	9.57	12.34	15.43	9.99	12.11	8.23	6.31	6.92	5.46	6.16	6.08	6.29	11.75	9.09	6.15
EATING AND DRINKING PLACES.....	1989	1971	2005	2021	2056	2077	2118	2140	2170	2197	2238	2266	7915	8272	8745
% Chg Prev Qtr SAAR.....	8.20	-3.60	7.27	3.17	7.04	4.22	8.07	4.33	5.71	4.94	7.72	5.18	6.34	4.51	5.72
% Chg Same Qtr Last Yr.....	9.07	5.27	4.86	3.65	3.37	5.41	5.60	5.90	5.57	5.76	5.67	5.88	6.34	4.51	5.72
FOOD STORES.....	1834	1878	1861	1906	1922	1931	1912	1959	1972	1983	1961	2012	7436	7671	7875
% Chg Prev Qtr SAAR.....	-5.92	9.81	-3.58	10.02	3.39	2.04	-4.03	10.25	2.62	2.27	-4.22	10.63	3.05	3.16	2.66
% Chg Same Qtr Last Yr.....	2.05	4.05	2.13	2.32	4.76	2.85	2.73	2.79	2.60	2.66	2.60	2.69	3.05	3.16	2.66
LIQUOR STORES.....	123	127	124	122	123	124	126	127	128	129	131	132	491	495	516
% Chg Prev Qtr SAAR.....	16.97	14.58	-9.47	-6.91	5.40	3.24	5.93	3.20	4.17	3.60	5.59	3.76	7.24	0.75	4.23
% Chg Same Qtr Last Yr.....	9.77	7.58	6.29	3.09	0.44	-2.14	1.78	4.43	4.13	4.22	4.14	4.28	7.24	0.75	4.23
HOTELS AND MOTELS.....	511	513	513	501	508	512	518	522	527	531	538	543	2034	2039	2119
% Chg Prev Qtr SAAR.....	13.21	1.61	0.18	-9.58	5.85	2.97	5.44	2.94	3.83	3.31	5.13	3.45	8.12	0.25	3.93
% Chg Same Qtr Last Yr.....	10.16	8.08	7.14	1.03	-0.65	-0.32	0.96	4.29	3.79	3.87	3.80	3.93	8.12	0.25	3.93
OTHER RETAIL AND SERVICE.....	6264	6257	6433	6446	6571	6664	6791	6861	6952	7033	7159	7245	25155	26472	28004
% Chg Prev Qtr SAAR.....	4.05	-0.42	11.70	0.83	8.01	5.79	7.79	4.18	5.46	4.72	7.34	4.92	6.44	5.24	5.79
% Chg Same Qtr Last Yr.....	6.31	5.58	7.76	3.94	4.91	6.51	5.57	6.43	5.80	5.53	5.42	5.60	6.44	5.24	5.79
MISC NONDURABLE GOODS.....	1725	1757	1778	1787	1814	1831	1861	1878	1900	1919	1949	1970	6993	7293	7646
% Chg Prev Qtr SAAR.....	-2.02	7.52	4.97	2.07	6.19	3.70	6.79	3.66	4.77	4.12	6.40	4.30	6.84	4.28	4.84
% Chg Same Qtr Last Yr.....	6.08	7.53	6.50	3.07	5.17	4.22	4.67	5.08	4.72	4.83	4.73	4.90	6.84	4.28	4.84
TRANSPORTATION, COMMUNICATION.....	1569	1714	1735	1688	1699	1717	1737	1766	1772	1787	1804	1835	6556	6841	7130
% Chg Prev Qtr SAAR.....	8.63	42.51	5.00	-10.39	2.48	4.29	4.79	6.89	1.46	3.33	3.87	7.01	2.34	4.35	4.22
% Chg Same Qtr Last Yr.....	-2.94	12.15	4.71	9.86	8.27	0.14	0.09	4.60	4.34	4.10	3.87	3.90	2.34	4.35	4.22
PER CAPITA (\$)......	3599	3652	3702	3710	3772	3803	3853	3894	3932	3967	4014	4061	14527	15139	15807
% Chg Prev Qtr SAAR.....	2.81	6.02	5.63	0.89	6.82	3.32	5.37	4.32	3.99	3.54	4.91	4.69	5.55	4.21	4.42
% Chg Same Qtr Last Yr.....	5.32	6.09	6.21	3.81	4.81	4.14	4.07	4.95	4.24	4.30	4.19	4.28	5.55	4.21	4.42

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
US GDP (Bil2000\$) SAAR.....	11144.9	11526.6	11839.7	12190.4	12585.7	12961.1	13326.6	13699.8	14103.9	14540.9	15005.8
Percentage change.....	3.62	3.43	2.72	2.96	3.24	2.98	2.82	2.80	2.95	3.10	3.20
US GDP (Bil\$) SAAR.....	12488.7	13242.4	13876.9	14589.3	15385.8	16168.7	16973.4	17827.0	18748.3	19736.8	20801.0
Percentage change.....	6.43	6.04	4.79	5.13	5.46	5.09	4.98	5.03	5.17	5.27	5.39
CHAINED PRICE INDEX, GDP (2000=100.0).....	112.1	114.9	117.2	119.7	122.2	124.7	127.4	130.1	132.9	135.7	138.6
Percentage change.....	2.73	2.50	2.02	2.11	2.15	2.05	2.10	2.17	2.15	2.11	2.13
US PERS CONSUMP DEFL (2000=100.0).....	111.3	113.9	116.2	118.6	121.0	123.5	126.2	129.1	132.2	135.3	138.5
Percentage change.....	2.83	2.32	2.01	2.10	2.04	2.01	2.18	2.31	2.38	2.36	2.37
TN PERSONAL INCOME (MIL2000\$) SAAR.....	167070	172607	179089	185581	192264	199082	205713	212030	218528	225211	232158
Percentage change.....	2.83	3.31	3.76	3.63	3.60	3.55	3.33	3.07	3.06	3.06	3.08
US PERSONAL INCOME (BIL2000\$) SAAR.....	9195	9526	9881	10229	10619	11009	11344	11671	12021	12409	12818
Percentage change.....	2.48	3.60	3.73	3.53	3.81	3.67	3.04	2.88	3.00	3.23	3.29
TN PERSONAL INCOME (MIL\$) SAAR.....	185872	196178	206982	218820	231526	244851	259100	273870	289319	305419	322473
Percentage change.....	5.68	5.54	5.51	5.72	5.81	5.76	5.82	5.70	5.64	5.56	5.58
US PERSONAL INCOME (BIL\$) SAAR.....	10235	10850	11480	12134	12854	13593	14312	15066	15887	16787	17750
Percentage change.....	5.37	6.01	5.81	5.70	5.93	5.75	5.29	5.26	5.45	5.66	5.74
TN NONFARM JOBS (THOUS).....	2727.2	2761.2	2795.2	2830.0	2870.3	2912.9	2958.5	3006.6	3055.5	3105.7	3155.9
Percentage change.....	0.97	1.24	1.23	1.25	1.43	1.48	1.57	1.62	1.63	1.64	1.61
US NONFARM JOBS (MIL).....	133.6	135.6	137.6	139.1	140.7	141.9	142.7	143.6	144.6	145.9	147.2
Percentage change.....	1.64	1.51	1.41	1.15	1.10	0.86	0.61	0.57	0.73	0.87	0.94
TN UNEMPLOYMENT RATE (%).....	5.6	5.3	5.3	5.2	5.1	5.1	5.0	5.0	4.9	5.0	4.9
US UNEMPLOYMENT RATE (%).....	5.1	4.8	4.9	5.0	4.9	4.9	5.0	5.1	5.1	5.0	4.8
BANK PRIME INTEREST RATE (%).....	6.2	7.7	7.8	7.8	8.0	8.2	8.2	8.2	8.2	8.3	8.3
TN MFG JOBS (THOUS).....	411.1	411.8	412.8	413.8	415.4	416.9	418.7	420.6	422.4	424.3	426.6
Percentage change.....	-0.10	0.17	0.24	0.26	0.38	0.37	0.42	0.46	0.43	0.45	0.54
US MFG JOBS (MIL).....	14.3	14.2	14.1	14.0	14.0	13.9	13.8	13.7	13.7	13.6	13.6
Percentage change.....	-0.31	-0.32	-1.04	-0.56	-0.34	-0.55	-0.60	-0.47	-0.49	-0.33	-0.15
TN TAXABLE SALES (MIL2000\$).....	77973	80253	83130	85862	88691	91552	94303	97014	99773	102517	105425
Percentage change.....	3.77	2.92	3.59	3.29	3.29	3.23	3.00	2.87	2.84	2.75	2.84
TN TAXABLE SALES (MIL\$).....	86749	91212	96077	101240	106800	112598	118776	125309	132093	139028	146437
Percentage change.....	6.65	5.15	5.33	5.37	5.49	5.43	5.49	5.50	5.41	5.25	5.33
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	33470	34001	34710	35294	35876	36493	37019	37501	37993	38499	39064
Percentage change.....	1.71	1.59	2.08	1.68	1.65	1.72	1.44	1.30	1.31	1.33	1.47
TN AVG ANNUAL WAGE, NONFARM (\$).....	37235	38644	40115	41614	43201	44880	46623	48435	50298	52207	54256
Percentage change.....	4.52	3.78	3.81	3.74	3.81	3.89	3.88	3.89	3.85	3.80	3.92

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
US GDP (2000\$) SAAR.....	37551	38489	39185	39997	40936	41794	42606	43427	44330	45320	46379
Percentage change.....	2.68	2.50	1.81	2.07	2.35	2.10	1.94	1.93	2.08	2.23	2.34
US GDP (\$) SAAR.....	42079	44218	45928	47867	50043	52138	54266	56510	58928	61514	64290
Percentage change.....	5.46	5.09	3.87	4.22	4.55	4.19	4.08	4.14	4.28	4.39	4.51
TN PERSONAL INCOME (2000\$) SAAR.....	27979	28649	29465	30269	31089	31916	32698	33415	34147	34894	35667
Percentage change.....	1.77	2.39	2.85	2.73	2.71	2.66	2.45	2.19	2.19	2.19	2.22
US PERSONAL INCOME (2000\$) SAAR.....	30981	31808	32702	33561	34539	35499	36267	36996	37783	38676	39616
Percentage change.....	1.55	2.67	2.81	2.63	2.91	2.78	2.16	2.01	2.13	2.36	2.43
TN PERSONAL INCOME (\$) SAAR.....	31127	32560	34054	35690	37437	39253	41183	43160	45208	47320	49541
Percentage change.....	4.59	4.60	4.59	4.80	4.90	4.85	4.92	4.80	4.74	4.67	4.69
US PERSONAL INCOME (\$) SAAR.....	34484	36228	37996	39813	41808	43833	45758	47757	49934	52319	54859
Percentage change.....	4.41	5.06	4.88	4.78	5.01	4.84	4.39	4.37	4.56	4.78	4.85
TN TAXABLE SALES (2000\$).....	13058	13320	13677	14004	14341	14677	14990	15289	15590	15884	16197
Percentage change.....	2.70	2.01	2.68	2.39	2.41	2.34	2.13	2.00	1.97	1.88	1.97
TN TAXABLE SALES (\$).....	14527	15139	15807	16512	17269	18051	18879	19748	20640	21540	22497
Percentage change.....	5.55	4.21	4.42	4.46	4.59	4.53	4.59	4.60	4.52	4.36	4.44

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL PERSONAL INCOME.....	167070	172607	179089	185581	192264	199082	205713	212030	218528	225211	232158
Percentage change.....	2.83	3.31	3.76	3.63	3.60	3.55	3.33	3.07	3.06	3.06	3.08
WAGES AND SALARIES.....	92092	94735	97945	100881	104060	107471	110789	114118	117570	121173	125018
Percentage change.....	2.67	2.87	3.39	3.00	3.15	3.28	3.09	3.01	3.02	3.06	3.17
OTHER LABOR INCOME.....	22510	23432	24430	25595	26666	27837	28942	30038	31184	32331	33489
Percentage change.....	3.86	4.10	4.26	4.77	4.18	4.39	3.97	3.79	3.81	3.68	3.58
PROPRIETORS INCOME.....	20230	21364	22678	23950	25317	26311	27191	27818	28355	28980	29474
Percentage change.....	4.96	5.61	6.15	5.61	5.71	3.93	3.34	2.31	1.93	2.20	1.70
RENT, INTEREST, DIVIDENDS.....	18737	18768	19055	19412	19936	20531	21173	21796	22422	23115	23857
Percentage change.....	-1.32	0.16	1.53	1.87	2.70	2.98	3.13	2.94	2.87	3.09	3.21
TRANSFER PAYMENTS.....	29065	30271	31517	32771	33847	35058	36258	37392	38659	39845	41118
Percentage change.....	3.47	4.15	4.11	3.98	3.29	3.58	3.42	3.13	3.39	3.07	3.19
LESS: PERS CONT FOR SOC INS.....	14155	14522	15058	15509	16002	16527	17001	17469	17959	18490	19014
Percentage change.....	2.11	2.59	3.69	2.99	3.18	3.28	2.86	2.76	2.80	2.96	2.83
RESIDENCE ADJUSTMENT.....	-1409	-1442	-1477	-1518	-1560	-1600	-1638	-1665	-1702	-1743	-1784
Percentage change.....	1.20	2.36	2.47	2.75	2.73	2.56	2.42	1.61	2.24	2.43	2.34
PER CAPITA PERSONAL INCOME (\$).	27979	28649	29465	30269	31089	31916	32698	33415	34147	34894	35667
Percentage change.....	1.77	2.39	2.85	2.73	2.71	2.66	2.45	2.19	2.19	2.19	2.22

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL PERSONAL INCOME.....	185872	196178	206982	218820	231526	244851	259100	273870	289319	305419	322473
Percentage change.....	5.68	5.54	5.51	5.72	5.81	5.76	5.82	5.70	5.64	5.56	5.58
WAGES AND SALARIES.....	102452	107672	113198	118947	125308	132176	139537	147398	155653	164324	173643
Percentage change.....	5.50	5.09	5.13	5.08	5.35	5.48	5.57	5.63	5.60	5.57	5.67
OTHER LABOR INCOME.....	25043	26632	28236	30180	32112	34238	36454	38800	41286	43846	46516
Percentage change.....	6.74	6.34	6.02	6.89	6.40	6.62	6.47	6.44	6.41	6.20	6.09
PROPRIETORS INCOME.....	22509	24283	26211	28242	30489	32365	34254	35938	37547	39309	40953
Percentage change.....	7.88	7.88	7.94	7.75	7.96	6.15	5.83	4.92	4.48	4.69	4.18
RENT, INTEREST, DIVIDENDS.....	20848	21330	22022	22888	24007	25251	26667	28153	29684	31346	33136
Percentage change.....	1.42	2.31	3.25	3.93	4.89	5.18	5.61	5.57	5.44	5.60	5.71
TRANSFER PAYMENTS.....	32334	34405	36425	38639	40758	43117	45666	48298	51182	54035	57114
Percentage change.....	6.34	6.40	5.87	6.08	5.48	5.79	5.91	5.76	5.97	5.58	5.70
LESS: PERS CONT FOR SOC INS.....	15747	16505	17404	18287	19270	20328	21414	22566	23779	25077	26412
Percentage change.....	4.94	4.81	5.44	5.08	5.38	5.49	5.34	5.38	5.37	5.46	5.32
RESIDENCE ADJUSTMENT.....	-1567	-1639	-1708	-1790	-1878	-1967	-2063	-2150	-2253	-2364	-2478
Percentage change.....	4.00	4.55	4.20	4.83	4.91	4.75	4.89	4.20	4.80	4.93	4.82
PER CAPITA PERSONAL INCOME (\$)......	31127	32560	34054	35690	37437	39253	41183	43160	45208	47320	49541
Percentage change.....	4.59	4.60	4.59	4.80	4.90	4.85	4.92	4.80	4.74	4.67	4.69

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Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **December 2005**

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL NONFARM.....	2727.2	2761.2	2795.2	2830.0	2870.3	2912.9	2958.5	3006.6	3055.5	3105.7	3155.9
Percentage change.....	0.97	1.24	1.23	1.25	1.43	1.48	1.57	1.62	1.63	1.64	1.61
NATURAL RESOURCES & MINING.....	4.1	4.0	4.0	4.0	3.9	3.9	3.8	3.8	3.7	3.7	3.6
Percentage change.....	-0.58	-0.94	-0.82	-0.66	-1.15	-1.23	-1.00	-1.46	-1.38	-1.37	-1.27
CONSTRUCTION.....	119.7	122.2	125.0	128.0	131.2	134.4	137.9	141.7	145.6	149.3	153.2
Percentage change.....	2.00	2.04	2.33	2.40	2.53	2.44	2.59	2.71	2.76	2.55	2.63
MANUFACTURING.....	411.1	411.8	412.8	413.8	415.4	416.9	418.7	420.6	422.4	424.3	426.6
Percentage change.....	-0.10	0.17	0.24	0.26	0.38	0.37	0.42	0.46	0.43	0.45	0.54
DURABLE GOODS.....	255.1	257.7	260.5	263.5	266.9	270.1	273.3	276.7	280.1	283.5	287.1
Percentage change.....	0.69	0.99	1.09	1.16	1.28	1.20	1.20	1.24	1.23	1.21	1.28
NONDURABLE GOODS.....	155.9	154.1	152.3	150.3	148.5	146.8	145.3	143.9	142.3	140.8	139.5
Percentage change.....	-1.37	-1.17	-1.19	-1.29	-1.20	-1.13	-1.01	-1.00	-1.09	-1.05	-0.97
TRADE, TRANSPORTATION, UTILITIES....	594.9	605.0	614.7	624.7	636.1	648.7	661.4	675.0	688.6	702.8	717.3
Percentage change.....	1.43	1.71	1.61	1.62	1.83	1.98	1.96	2.05	2.01	2.07	2.06
WHOLESALE TRADE.....	129.7	131.7	134.0	136.5	139.3	142.4	145.5	148.8	152.0	155.2	158.4
Percentage change.....	1.74	1.53	1.80	1.87	2.03	2.23	2.15	2.27	2.18	2.10	2.06
RETAIL TRADE.....	325.4	332.3	338.5	344.7	351.8	359.5	367.3	375.4	383.4	391.7	399.9
Percentage change.....	1.80	2.10	1.87	1.82	2.06	2.20	2.17	2.21	2.12	2.18	2.10
TRANSPORTATION & UTILITIES.....	139.8	141.1	142.2	143.5	145.0	146.8	148.7	150.8	153.2	155.9	158.9
Percentage change.....	0.30	0.94	0.81	0.90	1.07	1.22	1.27	1.43	1.58	1.77	1.98
INFORMATION.....	48.1	47.4	46.7	45.9	46.0	46.6	47.2	47.9	48.7	49.5	50.5
Percentage change.....	-2.47	-1.48	-1.62	-1.69	0.35	1.18	1.28	1.46	1.68	1.77	2.04
FINANCIAL ACTIVITIES.....	144.0	146.2	148.4	150.7	153.4	156.5	160.1	164.2	168.4	173.1	178.2
Percentage change.....	1.57	1.54	1.55	1.52	1.80	2.02	2.29	2.54	2.60	2.77	2.95
PROF & BUSINESS SERVICES.....	304.9	309.3	313.6	319.3	325.6	332.7	339.9	347.4	354.6	361.8	368.8
Percentage change.....	1.21	1.44	1.39	1.81	1.97	2.20	2.16	2.21	2.06	2.02	1.94
EDUC & HEALTH SERVICES.....	325.8	331.9	338.2	344.4	351.0	357.3	363.7	370.3	377.1	384.7	391.5
Percentage change.....	1.94	1.86	1.89	1.84	1.92	1.78	1.80	1.81	1.85	2.01	1.78
LEISURE & HOSPITALITY.....	257.1	261.4	266.2	270.2	275.4	280.9	286.9	293.3	299.7	306.1	311.8
Percentage change.....	1.50	1.66	1.85	1.48	1.93	2.00	2.16	2.23	2.19	2.13	1.85
OTHER SERVICES.....	103.0	104.0	104.9	105.9	106.7	107.9	109.4	111.4	113.3	115.0	116.8
Percentage change.....	0.76	1.00	0.82	0.95	0.78	1.07	1.43	1.82	1.67	1.53	1.60
GOVERNMENT.....	414.5	417.9	420.6	423.2	425.5	427.1	429.5	431.1	433.4	435.4	437.5
Percentage change.....	0.13	0.83	0.65	0.60	0.56	0.37	0.55	0.39	0.53	0.47	0.47
FEDERAL, CIVILIAN.....	50.2	50.0	49.6	49.3	48.9	48.6	48.2	47.9	47.6	47.2	46.9
Percentage change.....	-0.71	-0.48	-0.79	-0.62	-0.76	-0.63	-0.74	-0.77	-0.68	-0.64	-0.75
STATE & LOCAL.....	364.3	367.9	371.0	373.9	376.6	378.5	381.2	383.2	385.8	388.2	390.6
Percentage change.....	0.24	1.01	0.84	0.76	0.74	0.50	0.71	0.53	0.68	0.61	0.62

Table 6: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL DURABLE GOODS.....	255.1	257.7	260.5	263.5	266.9	270.1	273.3	276.7	280.1	283.5	287.1
Percentage change.....	0.69	0.99	1.09	1.16	1.28	1.20	1.20	1.24	1.23	1.21	1.28
WOOD PRODUCTS.....	17.7	18.0	18.2	18.4	18.7	18.9	19.1	19.3	19.5	19.7	20.0
Percentage change.....	1.95	1.23	1.12	1.25	1.49	1.30	1.24	1.10	1.00	1.03	1.15
NONMETALLIC MINERAL PRODUCTS.....	16.0	16.1	16.4	16.7	16.9	17.1	17.3	17.5	17.7	17.9	18.2
Percentage change.....	1.63	1.06	1.64	1.53	1.33	1.20	1.17	1.31	1.19	1.27	1.32
PRIMARY METALS.....	12.5	12.6	12.7	12.9	13.0	13.0	13.1	13.2	13.3	13.3	13.4
Percentage change.....	1.82	0.79	1.29	1.43	0.62	0.50	0.57	0.63	0.44	0.52	0.47
FABRICATED METAL PRODUCTS.....	42.0	42.2	42.5	42.8	43.0	43.3	43.5	43.8	44.1	44.4	44.6
Percentage change.....	0.58	0.56	0.70	0.66	0.57	0.62	0.53	0.69	0.63	0.57	0.60
MACHINERY.....	34.6	35.1	35.4	36.0	36.7	37.4	38.1	38.7	39.5	40.2	40.9
Percentage change.....	1.12	1.46	0.94	1.48	2.00	1.92	1.81	1.73	1.96	1.83	1.80
COMPUTER & ELECTRONIC PRODUCTS...	10.8	10.7	10.5	10.4	10.4	10.5	10.6	10.6	10.7	10.7	10.8
Percentage change.....	-3.18	-1.47	-1.28	-1.00	0.06	0.48	0.63	0.48	0.69	0.57	0.96
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.0	23.3	23.8	24.2	24.6	25.1	25.5	25.9	26.3	26.7	27.2
Percentage change.....	-0.22	1.51	1.99	1.79	1.68	1.75	1.62	1.68	1.53	1.67	1.71
TRANSPORTATION EQUIPMENT.....	62.5	63.4	64.4	65.5	66.8	67.9	69.1	70.4	71.8	73.1	74.5
Percentage change.....	1.34	1.45	1.59	1.62	1.96	1.68	1.83	1.91	1.87	1.82	1.99
FURNITURE.....	19.7	19.9	20.0	20.2	20.3	20.4	20.6	20.7	20.8	20.9	21.0
Percentage change.....	-0.02	0.75	0.81	0.92	0.52	0.55	0.54	0.50	0.47	0.45	0.52
MISCELLANEOUS DURABLE GOODS.....	16.3	16.4	16.4	16.4	16.5	16.5	16.5	16.5	16.5	16.5	16.5
Percentage change.....	-0.74	0.43	0.40	0.05	0.19	0.03	0.00	0.01	0.07	0.05	0.03

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **December 2005**

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL NONDURABLE GOODS.....	155.9	154.1	152.3	150.3	148.5	146.8	145.3	143.9	142.3	140.8	139.5
Percentage change.....	-1.37	-1.17	-1.19	-1.29	-1.20	-1.13	-1.01	-1.00	-1.09	-1.05	-0.97
FOOD.....	35.0	35.0	35.0	34.8	34.6	34.4	34.3	34.2	34.0	33.8	33.7
Percentage change.....	-0.33	-0.02	-0.13	-0.62	-0.38	-0.51	-0.34	-0.33	-0.55	-0.56	-0.40
BEVERAGE & TOBACCO.....	5.9	5.9	5.9	5.9	5.9	5.9	5.8	5.8	5.8	5.8	5.7
Percentage change.....	-0.35	0.39	-0.31	-0.16	-0.46	-0.25	-0.37	-0.21	-0.45	-0.39	-0.57
TEXTILE MILLS.....	6.5	6.2	5.9	5.5	5.2	4.9	4.7	4.5	4.4	4.2	4.0
Percentage change.....	-3.95	-4.41	-5.41	-6.24	-5.74	-4.75	-3.94	-3.96	-4.23	-4.48	-4.69
TEXTILE PRODUCT MILLS.....	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Percentage change.....	2.82	0.14	0.64	0.19	-0.10	0.06	-0.04	0.00	0.11	0.08	0.04
APPAREL.....	8.4	7.8	7.3	6.8	6.4	6.1	5.8	5.6	5.3	5.0	4.8
Percentage change.....	-7.78	-7.18	-7.38	-6.55	-5.02	-4.72	-5.08	-4.65	-4.92	-4.50	-4.26
PAPER.....	18.3	18.1	17.9	17.7	17.6	17.5	17.4	17.3	17.1	17.0	16.9
Percentage change.....	-2.26	-0.98	-1.01	-0.97	-0.80	-0.73	-0.48	-0.69	-0.73	-0.80	-0.75
PRINTING & RELATED SUPPORT.....	18.9	18.6	18.3	18.0	17.8	17.7	17.6	17.5	17.3	17.2	17.0
Percentage change.....	-2.19	-1.73	-1.60	-1.71	-0.76	-0.58	-0.69	-0.80	-0.85	-0.83	-0.79
CHEMICALS.....	27.2	26.6	25.9	25.3	24.7	24.1	23.5	22.9	22.4	21.9	21.4
Percentage change.....	-2.48	-2.29	-2.36	-2.35	-2.48	-2.44	-2.41	-2.37	-2.35	-2.31	-2.22
PLASTICS & RUBBER.....	28.8	29.0	29.3	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5
Percentage change.....	1.54	0.75	0.86	0.73	-0.05	-0.08	0.10	0.07	-0.03	0.00	0.03
MISCELLANEOUS NONDURABLE GOODS...	2.8	2.8	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.3
Percentage change.....	-2.19	-1.53	-0.84	-0.88	-2.63	-2.97	-2.83	-2.65	-2.90	-2.29	-2.00

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL NONFARM.....	33470	34001	34710	35294	35876	36493	37019	37501	37993	38499	39064
Percentage change.....	1.71	1.59	2.08	1.68	1.65	1.72	1.44	1.30	1.31	1.33	1.47
NATURAL RESOURCES & MINING.....	35762	36159	36663	37155	37683	38181	38522	38699	39157	39657	40145
Percentage change.....	5.62	1.11	1.39	1.34	1.42	1.32	0.89	0.46	1.18	1.28	1.23
CONSTRUCTION.....	34535	34832	35170	35375	35634	35851	35921	35949	35975	36088	36247
Percentage change.....	0.18	0.86	0.97	0.58	0.73	0.61	0.20	0.08	0.07	0.31	0.44
MANUFACTURING.....	39525	40579	41708	42646	43562	44650	45713	46712	47712	48811	49900
Percentage change.....	1.20	2.67	2.78	2.25	2.15	2.50	2.38	2.18	2.14	2.30	2.23
DURABLE GOODS.....	38914	39951	41190	42139	43116	44177	45209	46203	47161	48227	49250
Percentage change.....	1.18	2.66	3.10	2.30	2.32	2.46	2.34	2.20	2.07	2.26	2.12
NONDURABLE GOODS.....	40525	41628	42595	43533	44364	45519	46662	47689	48796	49983	51235
Percentage change.....	1.27	2.72	2.32	2.20	1.91	2.60	2.51	2.20	2.32	2.43	2.50
TRADE, TRANSPORTATION, UTILITIES.....	32311	32715	33351	33885	34450	35012	35474	35926	36324	36707	37249
Percentage change.....	2.92	1.25	1.94	1.60	1.67	1.63	1.32	1.27	1.11	1.06	1.48
WHOLESALE TRADE.....	46447	47262	48629	49837	51119	52359	53345	54495	55648	56671	57889
Percentage change.....	3.17	1.75	2.89	2.48	2.57	2.43	1.88	2.16	2.12	1.84	2.15
RETAIL TRADE.....	23209	23505	23871	24189	24465	24792	25025	25158	25281	25407	25662
Percentage change.....	3.49	1.27	1.56	1.33	1.14	1.34	0.94	0.53	0.49	0.50	1.00
TRANSPORTATION & UTILITIES.....	40390	40832	41515	41994	42660	43214	43804	44417	44787	45228	45837
Percentage change.....	2.25	1.09	1.67	1.15	1.59	1.30	1.36	1.40	0.83	0.98	1.35
INFORMATION.....	42149	43373	44864	46317	47844	49102	50447	51715	53223	54348	55356
Percentage change.....	5.16	2.90	3.44	3.24	3.30	2.63	2.74	2.51	2.92	2.11	1.86
FINANCIAL ACTIVITIES.....	45459	46058	46238	46242	46342	46410	46295	46156	46023	45868	45769
Percentage change.....	-3.06	1.32	0.39	0.01	0.22	0.14	-0.25	-0.30	-0.29	-0.34	-0.22
PROFESSIONAL & BUSINESS SERVICES.....	35224	35961	37102	38179	39056	39964	40778	41654	42474	43239	44071
Percentage change.....	2.46	2.09	3.17	2.91	2.30	2.32	2.04	2.15	1.97	1.80	1.92
EDUCATION & HEALTH SERVICES.....	36315	36979	37993	38884	39812	40817	41793	42644	43546	44489	45524
Percentage change.....	4.04	1.83	2.74	2.34	2.39	2.52	2.39	2.04	2.11	2.16	2.33
LEISURE & HOSPITALITY.....	16057	16043	16188	16271	16364	16480	16515	16521	16573	16643	16722
Percentage change.....	2.63	-0.09	0.91	0.51	0.57	0.71	0.21	0.04	0.31	0.42	0.48
OTHER SERVICES.....	29316	29506	29735	29923	30178	30316	30373	30438	30411	30470	30493
Percentage change.....	-0.46	0.65	0.78	0.63	0.85	0.46	0.19	0.21	-0.09	0.19	0.08
GOVERNMENT.....	31938	32376	33021	33438	33873	34354	34702	34938	35303	35682	36043
Percentage change.....	0.92	1.37	1.99	1.26	1.30	1.42	1.01	0.68	1.05	1.07	1.01
FEDERAL, CIVILIAN.....	51948	52451	53641	54596	55529	56340	57065	57648	58131	58744	59349
Percentage change.....	1.20	0.97	2.27	1.78	1.71	1.46	1.29	1.02	0.84	1.06	1.03
STATE & LOCAL.....	29179	29648	30265	30648	31060	31531	31871	32101	32490	32875	33244
Percentage change.....	0.94	1.61	2.08	1.27	1.34	1.51	1.08	0.72	1.21	1.18	1.12

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL NONFARM.....	37235	38644	40115	41614	43201	44880	46623	48435	50298	52207	54256
Percentage change.....	4.52	3.78	3.81	3.74	3.81	3.89	3.88	3.89	3.85	3.80	3.92
NATURAL RESOURCES & MINING.....	39783	41095	42372	43808	45373	46953	48515	49983	51834	53770	55745
Percentage change.....	8.53	3.30	3.11	3.39	3.57	3.48	3.33	3.02	3.70	3.74	3.67
CONSTRUCTION.....	38420	39587	40646	41708	42907	44088	45238	46426	47622	48932	50338
Percentage change.....	2.96	3.04	2.67	2.61	2.87	2.75	2.61	2.63	2.58	2.75	2.87
MANUFACTURING.....	43971	46119	48203	50283	52455	54910	57568	60329	63163	66188	69298
Percentage change.....	3.99	4.89	4.52	4.31	4.32	4.68	4.84	4.80	4.70	4.79	4.70
DURABLE GOODS.....	43290	45406	47604	49686	51918	54329	56933	59673	62434	65398	68398
Percentage change.....	3.98	4.89	4.84	4.37	4.49	4.64	4.79	4.81	4.63	4.75	4.59
NONDURABLE GOODS.....	45085	47312	49229	51329	53420	55980	58762	61588	64594	67775	71148
Percentage change.....	4.06	4.94	4.05	4.27	4.07	4.79	4.97	4.81	4.88	4.92	4.98
TRADE, TRANSPORTATION, UTILITIES.....	35946	37182	38544	39952	41484	43061	44679	46404	48091	49780	51739
Percentage change.....	5.76	3.44	3.67	3.65	3.83	3.80	3.76	3.86	3.63	3.51	3.94
WHOLESALE TRADE.....	51671	53716	56202	58762	61555	64394	67187	70385	73670	76849	80404
Percentage change.....	6.01	3.96	4.63	4.56	4.75	4.61	4.34	4.76	4.67	4.32	4.63
RETAIL TRADE.....	25820	26714	27589	28521	29460	30492	31519	32497	33472	34457	35646
Percentage change.....	6.35	3.46	3.27	3.38	3.29	3.50	3.37	3.10	3.00	2.94	3.45
TRANSPORTATION & UTILITIES.....	44935	46406	47979	49513	51370	53148	55171	57370	59295	61338	63669
Percentage change.....	5.07	3.27	3.39	3.20	3.75	3.46	3.81	3.99	3.36	3.45	3.80
INFORMATION.....	46892	49295	51851	54612	57612	60388	63536	66794	70458	73695	76885
Percentage change.....	8.07	5.13	5.19	5.32	5.49	4.82	5.21	5.13	5.48	4.59	4.33
FINANCIAL ACTIVITIES.....	50571	52345	53437	54521	55803	57076	58307	59615	60930	62200	63570
Percentage change.....	-0.38	3.51	2.09	2.03	2.35	2.28	2.16	2.24	2.21	2.09	2.20
PROFESSIONAL & BUSINESS SERVICES...	39185	40871	42880	45017	47030	49150	51360	53800	56232	58638	61212
Percentage change.....	5.29	4.30	4.91	4.98	4.47	4.51	4.49	4.75	4.52	4.28	4.39
EDUCATION & HEALTH SERVICES.....	40399	42029	43910	45847	47941	50198	52637	55079	57650	60329	63228
Percentage change.....	6.91	4.03	4.48	4.41	4.57	4.71	4.86	4.64	4.67	4.65	4.80
LEISURE & HOSPITALITY.....	17864	18233	18709	19185	19705	20267	20799	21338	21940	22568	23225
Percentage change.....	5.48	2.07	2.61	2.55	2.71	2.86	2.63	2.59	2.82	2.87	2.91
OTHER SERVICES.....	32614	33534	34365	35281	36339	37283	38253	39312	40260	41318	42351
Percentage change.....	2.31	2.82	2.48	2.66	3.00	2.60	2.60	2.77	2.41	2.63	2.50
GOVERNMENT.....	35530	36796	38163	39425	40788	42250	43706	45126	46738	48388	50062
Percentage change.....	3.71	3.56	3.71	3.31	3.46	3.58	3.44	3.25	3.57	3.53	3.46
FEDERAL, CIVILIAN.....	57785	59613	61994	64372	66866	69288	71870	74457	76956	79659	82429
Percentage change.....	4.00	3.16	3.99	3.84	3.87	3.62	3.73	3.60	3.36	3.51	3.48
STATE & LOCAL.....	32461	33696	34978	36136	37401	38778	40141	41462	43014	44582	46176
Percentage change.....	3.73	3.81	3.80	3.31	3.50	3.68	3.51	3.29	3.74	3.64	3.58

Table 10: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CIVILIAN LABOR FORCE (THOUS).....	2904	2914	2932	2956	2977	3004	3036	3071	3108	3149	3184
Percentage change.....	-0.12	0.32	0.64	0.80	0.74	0.89	1.06	1.14	1.23	1.32	1.12
EMPLOYED PERSONS (THOUS).....	2741	2761	2778	2801	2825	2852	2884	2918	2956	2993	3028
Percentage change.....	-0.39	0.72	0.65	0.80	0.87	0.94	1.13	1.20	1.29	1.24	1.17
UNEMPLOYED PERSONS (THOUS).....	163	153	154	155	152	152	152	152	152	157	157
Percentage change.....	4.72	-6.32	0.58	0.66	-1.75	0.08	-0.09	0.02	-0.01	2.87	0.04
PARTICIPATION RATE (PERCENT).....	61.9	61.5	61.2	61.1	61.0	61.0	61.1	61.3	61.5	61.8	62.0
Percentage change.....	-0.65	-0.69	-0.40	-0.20	-0.20	-0.01	0.18	0.28	0.40	0.48	0.28
UNEMPLOYMENT RATE (PERCENT).....	5.6	5.3	5.3	5.2	5.1	5.1	5.0	5.0	4.9	5.0	4.9

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Table 11: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL TAXABLE SALES.....	77973	80253	83130	85862	88691	91552	94303	97014	99773	102517	105425
Percentage change.....	3.77	2.92	3.59	3.29	3.29	3.23	3.00	2.87	2.84	2.75	2.84
AUTO DEALERS.....	8590	8655	9020	9314	9652	9966	10283	10704	11092	11398	11732
Percentage change.....	-1.40	0.75	4.21	3.27	3.62	3.25	3.19	4.09	3.63	2.76	2.93
PURCHASES FROM MANUFACTURERS.....	4291	4411	4564	4718	4816	4936	5060	5177	5297	5423	5553
Percentage change.....	11.86	2.78	3.48	3.38	2.07	2.50	2.52	2.31	2.33	2.37	2.40
MISC DURABLE GOODS.....	14236	15204	15871	16572	17344	18131	18866	19573	20302	21060	21857
Percentage change.....	8.72	6.80	4.39	4.41	4.66	4.54	4.05	3.75	3.73	3.73	3.79
EATING AND DRINKING PLACES.....	7114	7278	7567	7858	8166	8479	8788	9083	9387	9702	10033
Percentage change.....	3.47	2.30	3.97	3.84	3.93	3.82	3.65	3.36	3.35	3.36	3.41
FOOD STORES.....	6684	6749	6814	6860	6862	6875	6858	6826	6809	6780	6764
Percentage change.....	0.28	0.98	0.96	0.68	0.03	0.20	-0.25	-0.46	-0.26	-0.41	-0.24
LIQUOR STORES.....	441	435	446	456	467	477	486	495	503	512	522
Percentage change.....	4.34	-1.37	2.50	2.25	2.27	2.19	1.99	1.75	1.75	1.78	1.82
HOTELS AND MOTELS.....	1828	1794	1833	1868	1904	1939	1971	1998	2027	2056	2086
Percentage change.....	5.21	-1.87	2.21	1.90	1.91	1.84	1.64	1.40	1.41	1.44	1.47
OTHER RETAIL AND SERVICE.....	22611	23291	24230	25093	26002	26919	27819	28672	29547	30453	31402
Percentage change.....	3.57	3.01	4.03	3.56	3.63	3.52	3.34	3.07	3.05	3.07	3.11
MISC NONDURABLE GOODS.....	6286	6416	6615	6804	7002	7199	7388	7562	7741	7925	8116
Percentage change.....	3.96	2.08	3.10	2.86	2.90	2.81	2.62	2.36	2.36	2.38	2.42
TRANSPORTATION, COMMUNICATION.....	5891	6019	6169	6319	6477	6632	6785	6924	7067	7208	7360
Percentage change.....	-0.46	2.18	2.50	2.43	2.51	2.39	2.30	2.05	2.07	2.00	2.11
PER CAPITA (\$).....	13058	13320	13677	14004	14341	14677	14990	15289	15590	15884	16197
Percentage change.....	2.70	2.01	2.68	2.39	2.41	2.34	2.13	2.00	1.97	1.88	1.97

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Table 12: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

December 2005

	Forecast Data										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL TAXABLE SALES.....	86749	91212	96077	101240	106800	112598	118776	125309	132093	139028	146437
Percentage change.....	6.65	5.15	5.33	5.37	5.49	5.43	5.49	5.50	5.41	5.25	5.33
AUTO DEALERS.....	9555	9837	10424	10983	11623	12257	12954	13828	14687	15459	16298
Percentage change.....	1.33	2.95	5.97	5.35	5.83	5.46	5.69	6.74	6.22	5.25	5.43
PURCHASES FROM MANUFACTURERS....	4774	5013	5275	5563	5799	6070	6373	6687	7013	7354	7713
Percentage change.....	14.97	5.00	5.22	5.47	4.24	4.68	4.99	4.92	4.89	4.86	4.88
MISC DURABLE GOODS.....	15841	17281	18343	19540	20886	22300	23762	25282	26879	28561	30360
Percentage change.....	11.75	9.09	6.15	6.52	6.89	6.77	6.56	6.39	6.32	6.26	6.30
EATING AND DRINKING PLACES.....	7915	8272	8745	9265	9834	10428	11068	11733	12428	13158	13936
Percentage change.....	6.34	4.51	5.72	5.94	6.14	6.04	6.14	6.00	5.93	5.87	5.91
FOOD STORES.....	7436	7671	7875	8088	8263	8455	8637	8817	9014	9195	9395
Percentage change.....	3.05	3.16	2.66	2.71	2.16	2.33	2.15	2.09	2.23	2.01	2.18
LIQUOR STORES.....	491	495	516	538	562	586	612	639	667	695	725
Percentage change.....	7.24	0.75	4.23	4.31	4.45	4.37	4.45	4.35	4.30	4.25	4.28
HOTELS AND MOTELS.....	2034	2039	2119	2203	2293	2385	2482	2581	2683	2788	2897
Percentage change.....	8.12	0.25	3.93	3.96	4.08	4.01	4.08	3.99	3.94	3.90	3.93
OTHER RETAIL AND SERVICE.....	25155	26472	28004	29587	31312	33107	35038	37034	39119	41299	43618
Percentage change.....	6.44	5.24	5.79	5.65	5.83	5.73	5.83	5.70	5.63	5.57	5.61
MISC NONDURABLE GOODS.....	6993	7293	7646	8023	8431	8854	9305	9768	10248	10747	11274
Percentage change.....	6.84	4.28	4.84	4.94	5.09	5.01	5.09	4.98	4.92	4.87	4.90
TRANSPORTATION, COMMUNICATION.....	6556	6841	7130	7451	7799	8156	8544	8941	9354	9773	10221
Percentage change.....	2.34	4.35	4.22	4.50	4.68	4.57	4.76	4.65	4.62	4.48	4.58
PER CAPITA (\$).	14527	15139	15807	16512	17269	18051	18879	19748	20640	21540	22497
Percentage change.....	5.55	4.21	4.42	4.46	4.59	4.53	4.59	4.60	4.52	4.36	4.44

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Table 13: Tennessee Gross State Product by Sector (millions of 2000 dollars)

December 2005

	Forecast Data											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GROSS STATE PRODUCT.....	198925	205355	212534	219953	227663	236065	244913	254305	264207	274500	285243	296321
Percentage Change.....	3.71	3.23	3.50	3.49	3.51	3.69	3.75	3.83	3.89	3.90	3.91	3.88
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	1187	1192	1194	1199	1205	1215	1223	1235	1245	1256	1265	1273
Percentage Change.....	0.17	0.38	0.24	0.40	0.52	0.83	0.65	0.98	0.79	0.88	0.71	0.63
MINING.....	336	326	312	308	300	296	295	294	293	292	290	288
Percentage Change.....	-5.24	-3.16	-4.23	-1.19	-2.84	-1.05	-0.62	-0.15	-0.44	-0.44	-0.59	-0.68
CONSTRUCTION.....	6980	7244	7495	7794	8120	8476	8833	9227	9615	10034	10451	10868
Percentage Change.....	3.50	3.78	3.46	4.00	4.18	4.38	4.21	4.47	4.20	4.36	4.15	3.99
MANUFACTURING.....	37121	38814	40696	42699	44808	47078	49460	51988	54669	57471	60423	63586
Percentage Change.....	4.24	4.56	4.85	4.92	4.94	5.07	5.06	5.11	5.16	5.13	5.14	5.23
DURABLE GOODS.....	22519	23829	25292	26872	28569	30410	32344	34400	36601	38938	41417	44087
Percentage Change.....	6.16	5.81	6.14	6.25	6.32	6.44	6.36	6.36	6.40	6.39	6.36	6.45
NONDURABLE GOODS.....	14608	15009	15452	15906	16356	16833	17339	17881	18442	19003	19588	20208
Percentage Change.....	1.45	2.74	2.95	2.94	2.83	2.92	3.00	3.13	3.14	3.04	3.08	3.17
TRADE, TRANSPORTATION, UTILITIES.....	43383	45479	47759	50129	52624	55356	58318	61426	64755	68239	71952	75863
Percentage Change.....	4.70	4.83	5.01	4.96	4.98	5.19	5.35	5.33	5.42	5.38	5.44	5.44
WHOLESALE TRADE.....	13691	14334	14977	15689	16355	17172	17997	18884	19726	20533	21467	22365
Percentage Change.....	4.05	4.70	4.48	4.76	4.24	5.00	4.80	4.93	4.46	4.09	4.55	4.18
RETAIL TRADE.....	18894	19672	20395	21176	21950	22887	23755	24786	25682	26782	27769	28796
Percentage Change.....	4.24	4.12	3.68	3.83	3.66	4.27	3.79	4.34	3.62	4.28	3.68	3.70
TRANSPORTATION & UTILITIES.....	10610	11095	11595	12108	12592	13194	13850	14467	15067	15712	16443	17136
Percentage Change.....	4.51	4.57	4.51	4.42	4.00	4.78	4.97	4.45	4.15	4.28	4.65	4.21
INFORMATION.....	6501	6773	7145	7527	7923	8315	8718	9157	9626	10096	10590	11120
Percentage Change.....	3.52	4.19	5.48	5.34	5.27	4.95	4.84	5.04	5.12	4.88	4.90	5.00
FINANCIAL ACTIVITIES.....	32847	34313	35873	37508	39205	41095	43168	45465	47774	50230	52701	55337
Percentage Change.....	4.48	4.46	4.55	4.56	4.52	4.82	5.04	5.32	5.08	5.14	4.92	5.00
PROFESSIONAL & BUSINESS SERVICES.....	18632	19142	19685	20234	20884	21590	22368	23166	24004	24836	25688	26547
Percentage Change.....	2.50	2.74	2.84	2.79	3.21	3.38	3.61	3.56	3.62	3.47	3.43	3.34
EDUCATION & HEALTH SERVICES.....	16516	16792	17060	17337	17610	17901	18207	18522	18837	19172	19506	19859
Percentage Change.....	1.93	1.67	1.60	1.62	1.57	1.65	1.71	1.73	1.70	1.78	1.74	1.81
LEISURE & HOSPITALITY.....	7666	7759	7871	7998	8097	8234	8379	8540	8711	8881	9049	9195
Percentage Change.....	1.52	1.22	1.44	1.62	1.24	1.69	1.76	1.92	2.00	1.96	1.90	1.61
OTHER SERVICES.....	4707	4718	4741	4755	4775	4787	4813	4856	4919	4975	5025	5079
Percentage Change.....	-0.49	0.25	0.48	0.30	0.42	0.25	0.55	0.90	1.29	1.14	1.00	1.07
GOVERNMENT.....	22801	23388	24158	24908	25670	26446	27192	28009	28805	29666	30534	31427
Percentage Change.....	3.16	2.58	3.29	3.11	3.06	3.02	2.82	3.01	2.84	2.99	2.93	2.92
FEDERAL.....	7099	7099	7116	7151	7165	7190	7224	7230	7252	7273	7305	7331
Percentage Change.....	0.42	0.01	0.23	0.50	0.19	0.35	0.48	0.07	0.31	0.29	0.44	0.36
STATE & LOCAL.....	15161	15244	15364	15492	15646	15747	15839	15959	16114	16232	16372	16525
Percentage Change.....	0.85	0.55	0.79	0.83	1.00	0.64	0.59	0.76	0.97	0.73	0.86	0.94

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Table 14: Tennessee Durable Goods Manufacturing Gross State Product (millions of 2000 dollars)

December 2005

	Forecast Data											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DURABLE GOODS.....	22519	23829	25292	26872	28569	30410	32344	34400	36601	38938	41417	44087
Percentage Change.....	6.16	5.81	6.14	6.25	6.32	6.44	6.36	6.36	6.40	6.39	6.36	6.45
WOOD PRODUCTS.....	800	819	835	858	882	908	930	957	977	1005	1028	1053
Percentage Change.....	2.03	2.42	1.97	2.76	2.73	2.91	2.44	2.97	2.05	2.88	2.25	2.50
NONMETALLIC MINERAL PRODUCTS.....	1218	1249	1278	1312	1346	1381	1420	1462	1494	1533	1567	1605
Percentage Change.....	2.37	2.54	2.28	2.73	2.53	2.62	2.82	3.00	2.19	2.60	2.18	2.46
PRIMARY METALS.....	1292	1357	1429	1504	1584	1666	1760	1863	1970	2079	2190	2306
Percentage Change.....	5.09	5.05	5.32	5.28	5.29	5.17	5.63	5.87	5.75	5.52	5.37	5.29
FABRICATED METAL PRODUCTS.....	3098	3167	3235	3309	3392	3484	3578	3685	3762	3846	3957	4037
Percentage Change.....	2.20	2.23	2.16	2.28	2.52	2.70	2.69	3.00	2.07	2.24	2.90	2.00
MACHINERY.....	2889	3015	3157	3285	3428	3568	3728	3914	4101	4301	4503	4699
Percentage Change.....	4.62	4.37	4.72	4.05	4.36	4.08	4.48	5.00	4.76	4.89	4.69	4.36
COMPUTER & ELECTRONIC PRODUCTS.....	3016	3426	3865	4367	4953	5579	6290	7157	8048	9114	10360	11707
Percentage Change.....	12.94	13.60	12.84	12.99	13.41	12.64	12.74	13.78	12.46	13.24	13.68	13.00
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS.....	2088	2177	2267	2360	2463	2568	2689	2821	2955	3085	3213	3370
Percentage Change.....	4.05	4.27	4.11	4.10	4.39	4.24	4.70	4.92	4.76	4.39	4.16	4.87
TRANSPORTATION EQUIPMENT.....	5496	5738	5997	6277	6570	6902	7230	7584	7962	8356	8765	9209
Percentage Change.....	5.60	4.40	4.52	4.65	4.68	5.04	4.75	4.90	4.99	4.95	4.89	5.06
FURNITURE.....	728	735	737	742	745	751	755	755	762	767	767	770
Percentage Change.....	0.66	0.98	0.35	0.57	0.52	0.70	0.62	0.02	0.86	0.68	0.04	0.30
MISCELLANEOUS DURABLE GOODS.....	1662	1739	1842	1950	2057	2173	2292	2417	2548	2689	2837	2992
Percentage Change.....	3.03	4.66	5.89	5.86	5.50	5.64	5.47	5.44	5.45	5.51	5.49	5.47

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Table 15: Tennessee Nondurable Goods Manufacturing Gross State Product (millions of 2000 dollars) December 2005

	Forecast Data											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL NONDURABLE GOODS.....	14608	15009	15452	15906	16356	16833	17339	17881	18442	19003	19588	20208
Percentage Change.....	1.45	2.74	2.95	2.94	2.83	2.92	3.00	3.13	3.14	3.04	3.08	3.17
FOOD AND BEVERAGE & TOBACCO.....	3782	3748	3726	3700	3676	3650	3620	3599	3577	3541	3514	3492
Percentage Change.....	-0.73	-0.90	-0.59	-0.71	-0.64	-0.70	-0.84	-0.57	-0.63	-0.99	-0.76	-0.64
TEXTILE MILLS AND TEXTILE PRODUCT MILLS.....	738	752	764	778	797	810	830	844	857	873	893	909
Percentage Change.....	1.51	1.96	1.53	1.79	2.46	1.67	2.48	1.65	1.57	1.84	2.31	1.75
APPAREL.....	625	641	660	682	700	723	742	767	791	816	838	862
Percentage Change.....	3.30	2.63	2.95	3.33	2.53	3.32	2.68	3.35	3.10	3.19	2.65	2.95
PAPER.....	2084	2102	2124	2133	2140	2158	2168	2188	2206	2221	2231	2253
Percentage Change.....	0.93	0.84	1.07	0.40	0.31	0.85	0.48	0.93	0.79	0.67	0.45	0.99
PRINTING & RELATED SUPPORT.....	1128	1121	1112	1102	1093	1086	1076	1067	1057	1049	1039	1032
Percentage Change.....	-0.70	-0.59	-0.81	-0.95	-0.83	-0.58	-0.90	-0.88	-0.93	-0.75	-1.00	-0.68
CHEMICALS.....	3447	3474	3496	3524	3550	3582	3607	3638	3665	3699	3730	3766
Percentage Change.....	0.50	0.79	0.62	0.81	0.73	0.90	0.69	0.87	0.74	0.92	0.85	0.96
PLASTICS & RUBBER.....	2201	2243	2277	2313	2353	2388	2435	2482	2516	2557	2604	2644
Percentage Change.....	1.71	1.91	1.50	1.58	1.72	1.49	2.00	1.93	1.35	1.63	1.85	1.54
MISCELLANEOUS NONDURABLE GOODS.....	470	479	487	495	505	514	523	534	544	553	564	574
Percentage Change.....	1.80	1.94	1.55	1.72	2.00	1.78	1.80	2.00	1.94	1.62	2.02	1.64

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Appendix B: Historical Data

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Appendix B: Historical Data

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Table 3:	Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)	AH3
Table 4:	Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)	AH4
Table 5:	Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)	AH5
Table 6:	Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)	AH6
Table 7:	Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)	AH7
Table 8:	Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)	AH8
Table 9:	Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)	AH9
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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
US GDP (Bil2000\$) SAAR.....	10095.8	10138.6	10230.4	10410.9	10502.6	10612.5	10704.1	10808.9	10897.1	10999.3	11089.2	11202.3	10048.9	10320.6	10755.7
% Chg Prev Qtr SAAR.....	0.20	1.71	3.67	7.25	3.57	4.25	3.50	3.97	3.30	3.80	3.31	4.14	1.60	2.70	4.22
% Chg Same Qtr Last Yr.....	1.87	1.62	1.98	3.17	4.03	4.67	4.63	3.82	3.76	3.64	3.60	3.64	1.60	2.70	4.22
US GDP (Bil\$) SAAR.....	10591.1	10717.0	10844.6	11087.4	11236.0	11457.1	11666.1	11818.8	11995.2	12198.8	12378.0	12605.7	10469.6	10971.3	11734.3
% Chg Prev Qtr SAAR.....	2.44	4.84	4.85	9.26	5.47	8.11	7.50	5.34	6.11	6.96	6.01	7.56	3.37	4.79	6.95
% Chg Same Qtr Last Yr.....	3.57	3.71	4.01	5.32	6.09	6.91	7.58	6.60	6.76	6.47	6.10	6.66	3.37	4.79	6.95
CHAINED PRICE INDEX, GDP (2000=100.0).....	104.9	105.7	106.0	106.5	107.0	108.0	109.0	109.4	110.1	111.0	111.7	112.6	104.2	106.3	109.1
% Chg Prev Qtr SAAR.....	2.24	3.08	1.12	1.83	1.88	3.62	3.85	1.46	2.73	3.08	2.57	3.31	1.75	2.03	2.63
% Chg Same Qtr Last Yr.....	1.75	2.10	2.00	2.06	1.97	2.11	2.79	2.70	2.91	2.78	2.46	2.92	1.75	2.03	2.63
US PERS CONSUMP DEFL (2000=100.0).....	104.3	105.1	105.2	105.7	106.1	107.1	108.1	108.5	109.3	109.9	110.8	111.8	103.5	105.5	108.2
% Chg Prev Qtr SAAR.....	1.65	3.04	0.65	1.97	1.30	3.86	3.81	1.47	3.14	2.25	3.30	3.71	1.42	1.91	2.58
% Chg Same Qtr Last Yr.....	1.79	2.32	1.77	1.82	1.73	1.94	2.73	2.60	3.06	2.66	2.54	3.10	1.42	1.91	2.58
TN PERSONAL INCOME (MIL2000\$) SAAR.....	153761	155490	156833	157598	159605	160082	161211	163083	165512	165695	167042	166610	153660	157382	162472
% Chg Prev Qtr SAAR.....	1.37	4.57	3.50	1.97	5.19	1.20	2.85	4.73	6.09	0.44	3.29	-1.03	1.59	2.42	3.23
% Chg Same Qtr Last Yr.....	1.18	1.29	1.76	2.84	3.80	2.95	2.79	3.48	3.70	3.51	3.62	2.16	1.59	2.42	3.23
US PERSONAL INCOME (BIL2000\$) SAAR.....	8560	8580	8666	8716	8794	8857	8895	8968	9170	9163	9190	9147	8578	8689	8973
% Chg Prev Qtr SAAR.....	-0.29	0.95	4.07	2.30	3.66	2.90	1.70	3.35	9.29	-0.29	1.19	-1.85	0.39	1.29	3.26
% Chg Same Qtr Last Yr.....	0.16	-0.06	0.76	1.74	2.74	3.23	2.64	2.90	4.27	3.45	3.32	2.00	0.39	1.29	3.26
TN PERSONAL INCOME (MIL\$) SAAR.....	160324	163344	165020	166635	169303	171422	174251	176919	180948	182159	185136	186293	159102	166076	175885
% Chg Prev Qtr SAAR.....	3.05	7.75	4.17	3.97	6.56	5.10	6.77	6.27	9.43	2.70	6.70	2.52	3.03	4.38	5.91
% Chg Same Qtr Last Yr.....	2.99	3.63	3.56	4.72	5.60	4.95	5.59	6.17	6.88	6.26	6.25	5.30	3.03	4.38	5.91
US PERSONAL INCOME (BIL\$) SAAR.....	8926	9014	9119	9215	9329	9485	9614	9729	10025	10073	10186	10231	8882	9169	9713
% Chg Prev Qtr SAAR.....	1.36	4.01	4.74	4.31	5.01	6.86	5.57	4.87	12.72	1.95	4.53	1.79	1.81	3.23	5.93
% Chg Same Qtr Last Yr.....	1.95	2.26	2.55	3.60	4.52	5.23	5.44	5.58	7.46	6.21	5.94	5.16	1.81	3.23	5.93
TN NONFARM JOBS (THOUS).....	2670.3	2661.9	2659.9	2657.4	2671.9	2691.9	2698.8	2700.9	2712.5	2722.8	2720.9	2725.6	2664.5	2662.8	2701.0
% Chg Prev Qtr SAAR.....	-0.01	-1.26	-0.30	-0.37	2.19	3.03	1.02	0.32	1.73	1.52	-0.29	0.70	-0.89	-0.07	1.44
% Chg Same Qtr Last Yr.....	0.43	0.17	-0.01	-0.48	0.06	1.13	1.46	1.64	1.52	1.15	0.82	0.91	-0.89	-0.07	1.44
US NONFARM JOBS (MIL).....	130.3	130.1	129.8	129.9	130.2	130.5	131.3	131.7	132.3	132.8	133.4	134.0	130.3	130.0	131.5
% Chg Prev Qtr SAAR.....	-0.04	-0.52	-0.76	0.14	0.86	1.15	2.42	1.24	1.75	1.56	1.87	1.63	-1.13	-0.27	1.14
% Chg Same Qtr Last Yr.....	-0.50	-0.31	-0.38	-0.30	-0.07	0.34	1.14	1.42	1.64	1.74	1.60	1.70	-1.13	-0.27	1.14
TN UNEMPLOYMENT RATE (%).....	5.3	5.5	5.6	5.6	5.5	5.4	5.4	5.3	5.3	5.9	6.0	5.3	5.2	5.5	5.4
US UNEMPLOYMENT RATE (%).....	5.9	5.8	6.1	6.1	5.9	5.7	5.6	5.4	5.4	5.3	5.1	5.0	5.8	6.0	5.5
BANK PRIME INTEREST RATE (%).....	4.5	4.3	4.2	4.0	4.0	4.0	4.0	4.4	4.9	5.4	5.9	6.4	4.7	4.1	4.3

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TN MFG JOBS (THOUS).....	423.5	418.4	413.4	409.9	411.1	410.2	411.9	411.7	412.1	411.7	411.7	410.6	428.5	413.2	411.5
% Chg Prev Qtr SAAR.....	-5.29	-4.75	-4.70	-3.37	1.18	-0.82	1.65	-0.19	0.33	-0.35	-0.05	-1.00	-5.66	-3.56	-0.41
% Chg Same Qtr Last Yr.....	-3.15	-3.02	-3.76	-4.53	-2.94	-1.95	-0.36	0.45	0.24	0.36	-0.07	-0.27	-5.66	-3.56	-0.41
US MFG JOBS (MIL).....	15.0	14.8	14.6	14.4	14.3	14.3	14.3	14.4	14.3	14.3	14.3	14.3	15.3	14.5	14.3
% Chg Prev Qtr SAAR.....	-5.20	-5.25	-6.13	-4.79	-1.76	-0.79	1.49	0.42	-0.41	-0.67	-0.61	-0.96	-7.20	-4.91	-1.24
% Chg Same Qtr Last Yr.....	-5.36	-4.68	-5.13	-5.34	-4.50	-3.39	-1.49	-0.17	0.17	0.21	-0.32	-0.66	-7.20	-4.91	-1.24
TN TAXABLE SALES (MIL2000\$).....	18118	17809	18209	18658	18687	18795	18655	18775	18917	19342	19371	19526	72250	73363	75141
% Chg Prev Qtr SAAR.....	12.09	-6.65	9.29	10.24	0.63	2.32	-2.94	2.60	3.05	9.29	0.60	3.25	-1.03	1.54	2.42
% Chg Same Qtr Last Yr.....	-1.38	-2.48	-0.29	5.96	3.14	5.53	2.45	0.63	1.23	2.91	3.84	4.00	-1.03	1.54	2.42
TN TAXABLE SALES (MIL\$).....	18891	18708	19159	19728	19823	20126	20164	20368	20681	21264	21469	21833	74806	77418	81339
% Chg Prev Qtr SAAR.....	13.95	-3.82	9.99	12.41	1.94	6.26	0.75	4.11	6.29	11.75	3.92	6.96	0.37	3.49	5.06
% Chg Same Qtr Last Yr.....	0.39	-0.22	1.48	7.89	4.93	7.58	5.24	3.25	4.33	5.65	6.47	7.19	0.37	3.49	5.06
TN AVG ANNUAL WAGE, NONFARM (2000\$)....	31796	32022	32277	32444	32650	32409	32540	33173	33508	33437	33560	33455	31922	32348	32908
% Chg Prev Qtr SAAR.....	0.33	2.88	3.21	2.10	2.56	-2.91	1.62	8.02	4.10	-0.84	1.48	-1.25	1.90	1.34	1.73
% Chg Same Qtr Last Yr.....	0.74	0.07	0.48	2.12	2.69	1.21	0.82	2.25	2.63	3.17	3.14	0.85	1.90	1.34	1.73
TN AVG ANNUAL WAGE, NONFARM (\$).....	33153	33640	33961	34305	34634	34705	35172	35988	36633	36759	37196	37408	33052	34135	35624
% Chg Prev Qtr SAAR.....	1.99	6.00	3.88	4.11	3.89	0.83	5.49	9.61	7.37	1.39	4.83	2.30	3.34	3.28	4.36
% Chg Same Qtr Last Yr.....	2.54	2.39	2.26	3.99	4.47	3.17	3.56	4.91	5.77	5.92	5.75	3.95	3.34	3.28	4.36

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
US GDP (2000\$) SAAR.....	34849	34920	35150	35685	35917	36209	36438	36711	36926	37187	37406	37702	34819	35419	36572
% Chg Prev Qtr SAAR.....	-0.77	0.82	2.67	6.23	2.62	3.30	2.55	3.02	2.36	2.86	2.37	3.20	0.59	1.72	3.25
% Chg Same Qtr Last Yr.....	0.87	0.62	0.99	2.20	3.06	3.69	3.67	2.87	2.81	2.70	2.66	2.70	0.59	1.72	3.25
US GDP (\$) SAAR.....	36558	36912	37260	38004	38425	39091	39713	40140	40647	41242	41753	42425	36277	37652	39899
% Chg Prev Qtr SAAR.....	1.45	3.92	3.83	8.22	4.50	7.12	6.52	4.37	5.14	5.99	5.05	6.59	2.34	3.79	5.97
% Chg Same Qtr Last Yr.....	2.54	2.69	2.99	4.33	5.10	5.90	6.58	5.62	5.78	5.50	5.14	5.69	2.34	3.79	5.97
TN PERSONAL INCOME (2000\$) SAAR.....	26425	26662	26831	26898	27176	27192	27319	27562	27896	27852	28002	27868	26496	26892	27492
% Chg Prev Qtr SAAR.....	0.45	3.63	2.57	1.00	4.20	0.24	1.88	3.59	4.95	-0.64	2.18	-1.90	0.78	1.49	2.23
% Chg Same Qtr Last Yr.....	0.34	0.41	0.84	1.90	2.84	1.99	1.82	2.47	2.65	2.42	2.50	1.11	0.78	1.49	2.23
US PERSONAL INCOME (2000\$) SAAR.....	29548	29553	29776	29874	30075	30221	30279	30459	31072	30979	31000	30786	29723	29820	30509
% Chg Prev Qtr SAAR.....	-1.25	0.06	3.06	1.33	2.71	1.96	0.78	2.40	8.29	-1.20	0.28	-2.74	-0.62	0.32	2.31
% Chg Same Qtr Last Yr.....	-0.83	-1.04	-0.22	0.79	1.78	2.26	1.69	1.96	3.32	2.51	2.38	1.07	-0.62	0.32	2.31
TN PERSONAL INCOME (\$) SAAR.....	27553	28008	28232	28440	28827	29119	29529	29900	30498	30619	31035	31160	27434	28377	29761
% Chg Prev Qtr SAAR.....	2.11	6.78	3.23	2.99	5.55	4.11	5.76	5.12	8.24	1.60	5.55	1.62	2.20	3.44	4.88
% Chg Same Qtr Last Yr.....	2.13	2.73	2.63	3.76	4.62	3.96	4.60	5.13	5.80	5.15	5.10	4.22	2.20	3.44	4.88
US PERSONAL INCOME (\$) SAAR.....	30809	31045	31330	31587	31902	32362	32729	33044	33970	34057	34358	34433	30776	31467	33027
% Chg Prev Qtr SAAR.....	0.38	3.10	3.72	3.32	4.05	5.89	4.61	3.91	11.69	1.03	3.59	0.87	0.79	2.25	4.96
% Chg Same Qtr Last Yr.....	0.94	1.25	1.55	2.62	3.55	4.24	4.46	4.61	6.48	5.24	4.98	4.20	0.79	2.25	4.96
TN TAXABLE SALES (2000\$).....	3114	3054	3115	3184	3182	3193	3161	3173	3188	3251	3247	3266	12458	12535	12715
% Chg Prev Qtr SAAR.....	11.08	-7.50	8.30	9.19	-0.32	1.35	-3.85	1.49	1.94	8.11	-0.48	2.34	-1.83	0.62	1.44
% Chg Same Qtr Last Yr.....	-2.20	-3.33	-1.19	4.99	2.19	4.55	1.48	-0.36	0.20	1.84	2.72	2.93	-1.83	0.62	1.44
TN TAXABLE SALES (\$).....	3247	3208	3278	3367	3375	3419	3417	3442	3486	3574	3599	3652	12899	13228	13764
% Chg Prev Qtr SAAR.....	12.92	-4.69	9.00	11.34	0.98	5.26	-0.19	2.98	5.14	10.55	2.81	6.02	-0.44	2.55	4.05
% Chg Same Qtr Last Yr.....	-0.45	-1.09	0.56	6.91	3.96	6.57	4.25	2.24	3.27	4.55	5.32	6.09	-0.44	2.55	4.05

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL PERSONAL INCOME.....	153761	155490	156833	157598	159605	160082	161211	163083	165512	165695	167042	166610	153660	157382	162472
% Chg Prev Qtr SAAR.....	1.37	4.57	3.50	1.97	5.19	1.20	2.85	4.73	6.09	0.44	3.29	-1.03	1.59	2.42	3.23
% Chg Same Qtr Last Yr.....	1.18	1.29	1.76	2.84	3.80	2.95	2.79	3.48	3.70	3.51	3.62	2.16	1.59	2.42	3.23
WAGES AND SALARIES.....	85601	86003	86665	87037	88060	88064	88625	90410	91706	91880	92121	91977	85755	86941	89701
% Chg Prev Qtr SAAR.....	0.32	1.89	3.12	1.73	4.79	0.01	2.58	8.30	5.86	0.76	1.06	-0.63	1.08	1.38	3.17
% Chg Same Qtr Last Yr.....	1.23	0.31	0.60	1.76	2.87	2.40	2.26	3.87	4.14	4.33	3.95	1.73	1.08	1.38	3.17
OTHER LABOR INCOME.....	19959	20490	20840	21067	21420	21533	21521	21715	21928	22327	22459	22489	19304	20954	21674
% Chg Prev Qtr SAAR.....	9.89	11.07	7.01	4.43	6.88	2.11	-0.21	3.65	3.99	7.47	2.40	0.53	12.68	8.55	3.43
% Chg Same Qtr Last Yr.....	14.70	10.28	8.63	8.07	7.32	5.09	3.27	3.07	2.37	3.69	4.36	3.57	12.68	8.55	3.43
PROPRIETORS INCOME.....	17196	17621	17970	18214	18597	18852	19338	19471	19433	19568	20239	20256	16986	18100	19273
% Chg Prev Qtr SAAR.....	3.66	10.26	8.16	5.54	8.69	5.59	10.72	2.79	-0.79	2.81	14.44	0.34	1.24	6.56	6.48
% Chg Same Qtr Last Yr.....	2.31	4.34	6.85	6.87	8.15	6.98	7.61	6.90	4.49	3.80	4.66	4.03	1.24	6.56	6.48
RENT, INTEREST, DIVIDENDS.....	19388	19364	19178	18883	19226	18926	18785	18725	19515	18495	18581	18495	20226	19163	18988
% Chg Prev Qtr SAAR.....	-7.56	-0.51	-3.79	-6.01	7.46	-6.09	-2.96	-1.25	17.97	-19.32	1.87	-1.84	-8.69	-5.26	-0.91
% Chg Same Qtr Last Yr.....	-11.65	-8.29	-7.03	-4.50	-0.84	-2.26	-2.05	-0.84	1.50	-2.28	-1.08	-1.23	-8.69	-5.26	-0.91
TRANSFER PAYMENTS.....	26252	26714	26997	27271	27316	27794	28046	28114	28404	29011	29221	28885	26019	27074	28090
% Chg Prev Qtr SAAR.....	4.18	7.23	4.31	4.13	0.66	7.18	3.68	0.97	4.19	8.82	2.93	-4.52	5.63	4.06	3.75
% Chg Same Qtr Last Yr.....	2.69	3.52	3.70	4.95	4.06	4.04	3.89	3.09	3.98	4.38	4.19	2.74	5.63	4.06	3.75
LESS: PERS CONT FOR SOC INS.....	13154	13371	13468	13501	13607	13739	13734	13931	14045	14192	14184	14115	13172	13487	13862
% Chg Prev Qtr SAAR.....	0.55	6.77	2.94	0.98	3.19	3.92	-0.14	5.86	3.32	4.25	-0.23	-1.94	2.90	2.39	2.78
% Chg Same Qtr Last Yr.....	2.51	1.52	1.82	2.78	3.45	2.75	1.98	3.19	3.22	3.30	3.27	1.32	2.90	2.39	2.78
RESIDENCE ADJUSTMENT.....	-1482	-1331	-1349	-1373	-1407	-1348	-1370	-1421	-1429	-1394	-1396	-1376	-1459	-1365	-1392
% Chg Prev Qtr SAAR.....	8.68	-34.94	5.47	7.52	10.35	-15.98	6.89	15.82	2.08	-9.50	0.65	-5.45	-1.79	-6.47	1.97
% Chg Same Qtr Last Yr.....	0.12	-7.74	-7.79	-5.37	-5.01	1.26	1.60	3.51	1.51	3.41	1.87	-3.17	-1.79	-6.47	1.97
PER CAPITA PERSONAL INCOME (\$).....	26425	26662	26831	26898	27176	27192	27319	27562	27896	27852	28002	27868	26496	26892	27492
% Chg Prev Qtr SAAR.....	0.45	3.63	2.57	1.00	4.20	0.24	1.88	3.59	4.95	-0.64	2.18	-1.90	0.78	1.49	2.23
% Chg Same Qtr Last Yr.....	0.34	0.41	0.84	1.90	2.84	1.99	1.82	2.47	2.65	2.42	2.50	1.11	0.78	1.49	2.23

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL PERSONAL INCOME.....	160324	163344	165020	166635	169303	171422	174251	176919	180948	182159	185136	186293	159102	166076	175885
% Chg Prev Qtr SAAR.....	3.05	7.75	4.17	3.97	6.56	5.10	6.77	6.27	9.43	2.70	6.70	2.52	3.03	4.38	5.91
% Chg Same Qtr Last Yr.....	2.99	3.63	3.56	4.72	5.60	4.95	5.59	6.17	6.88	6.26	6.25	5.30	3.03	4.38	5.91
WAGES AND SALARIES.....	89254	90347	91189	92028	93411	94302	95794	98080	100259	101009	102100	102843	88791	91744	97109
% Chg Prev Qtr SAAR.....	1.98	4.99	3.78	3.73	6.15	3.87	6.48	9.89	9.19	3.03	4.39	2.94	2.51	3.33	5.85
% Chg Same Qtr Last Yr.....	3.04	2.63	2.39	3.61	4.66	4.38	5.05	6.58	7.33	7.11	6.58	4.86	2.51	3.33	5.85
OTHER LABOR INCOME.....	20811	21525	21928	22275	22722	23058	23262	23557	23973	24545	24892	25146	19991	22113	23463
% Chg Prev Qtr SAAR.....	11.70	14.45	7.70	6.48	8.27	6.05	3.59	5.17	7.25	9.89	5.78	4.14	14.29	10.61	6.11
% Chg Same Qtr Last Yr.....	16.75	12.84	10.56	10.04	9.18	7.12	6.08	5.76	5.51	6.45	7.01	6.75	14.29	10.61	6.11
PROPRIETORS INCOME.....	17930	18511	18908	19258	19727	20187	20902	21123	21245	21512	22431	22649	17589	19101	20864
% Chg Prev Qtr SAAR.....	5.37	13.61	8.86	7.61	10.10	9.66	14.94	4.30	2.33	5.12	18.21	3.94	2.68	8.60	9.23
% Chg Same Qtr Last Yr.....	4.14	6.75	8.74	8.82	10.02	9.05	10.55	9.68	7.70	6.56	7.32	7.22	2.68	8.60	9.23
RENT, INTEREST, DIVIDENDS.....	20216	20342	20179	19966	20394	20267	20304	20314	21335	20333	20594	20680	20939	20220	20555
% Chg Prev Qtr SAAR.....	-6.03	2.52	-3.17	-4.16	8.85	-2.47	0.73	0.20	21.67	-17.50	5.23	1.68	-7.41	-3.43	1.66
% Chg Same Qtr Last Yr.....	-10.08	-6.16	-5.38	-2.76	0.88	-0.37	0.62	1.74	4.61	0.33	1.43	1.80	-7.41	-3.43	1.66
TRANSFER PAYMENTS.....	27372	28063	28406	28835	28976	29763	30315	30499	31053	31893	32386	32297	26942	28570	30408
% Chg Prev Qtr SAAR.....	5.91	10.49	4.98	6.18	1.97	11.31	7.63	2.45	7.47	11.27	6.33	-1.09	7.12	6.04	6.43
% Chg Same Qtr Last Yr.....	4.53	5.91	5.54	6.87	5.86	6.06	6.72	5.77	7.17	7.16	6.83	5.90	7.12	6.04	6.43
LESS: PERS CONT FOR SOC INS.....	13715	14046	14171	14275	14434	14712	14845	15113	15355	15602	15720	15782	13638	14232	15006
% Chg Prev Qtr SAAR.....	2.22	10.01	3.61	2.97	4.53	7.93	3.67	7.42	6.56	6.59	3.06	1.59	4.36	4.35	5.44
% Chg Same Qtr Last Yr.....	4.34	3.88	3.63	4.66	5.24	4.74	4.76	5.87	6.38	6.05	5.89	4.43	4.36	4.35	5.44
RESIDENCE ADJUSTMENT.....	-1545	-1398	-1419	-1452	-1493	-1443	-1481	-1542	-1562	-1532	-1547	-1539	-1511	-1441	-1507
% Chg Prev Qtr SAAR.....	10.47	-32.96	6.15	9.63	11.78	-12.74	10.96	17.52	5.29	-7.46	3.97	-2.05	-0.40	-4.68	4.62
% Chg Same Qtr Last Yr.....	1.91	-5.60	-6.15	-3.65	-3.37	3.22	4.37	6.20	4.62	6.17	4.46	-0.19	-0.40	-4.68	4.62
PER CAPITA PERSONAL INCOME (\$).	27553	28008	28232	28440	28827	29119	29529	29900	30498	30619	31035	31160	27434	28377	29761
% Chg Prev Qtr SAAR.....	2.11	6.78	3.23	2.99	5.55	4.11	5.76	5.12	8.24	1.60	5.55	1.62	2.20	3.44	4.88
% Chg Same Qtr Last Yr.....	2.13	2.73	2.63	3.76	4.62	3.96	4.60	5.13	5.80	5.15	5.10	4.22	2.20	3.44	4.88

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Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	2692.1	2631.2	2667.6	2658.3	2693.5	2661.6	2706.7	2701.5	2734.6	2692.5	2728.5	2725.7	2664.4	2662.7	2701.1
% Chg Same Qtr Last Yr.....	0.41	0.19	0.01	-0.52	0.05	1.15	1.47	1.63	1.52	1.16	0.81	0.90	-0.89	-0.07	1.44
NATURAL RESOURCES & MINING.....	4.4	4.2	4.3	4.2	4.1	4.0	4.1	4.1	4.1	4.0	4.1	4.1	4.5	4.2	4.1
% Chg Same Qtr Last Yr.....	-8.97	-5.97	-7.86	-8.63	-6.06	-3.97	-3.88	-3.94	0.00	0.00	0.00	0.00	-7.78	-7.16	-2.96
CONSTRUCTION.....	116.0	109.5	116.3	118.8	117.0	112.1	118.4	120.4	119.2	114.3	120.6	122.6	115.0	115.4	117.5
% Chg Same Qtr Last Yr.....	-2.55	-0.88	0.61	0.79	0.86	2.38	1.78	1.40	1.91	1.96	1.86	1.83	-4.48	0.36	1.86
MANUFACTURING.....	424.3	415.9	414.1	410.8	412.0	407.7	412.7	412.5	413.1	409.2	412.5	411.2	428.5	413.2	411.5
% Chg Same Qtr Last Yr.....	-3.12	-3.07	-3.74	-4.55	-2.90	-1.97	-0.33	0.41	0.26	0.35	-0.06	-0.30	-5.66	-3.57	-0.41
DURABLE GOODS.....	256.6	252.2	251.3	248.9	251.1	250.6	254.1	254.0	254.9	253.9	256.2	254.6	259.0	250.9	253.4
% Chg Same Qtr Last Yr.....	-3.06	-2.93	-3.53	-3.97	-2.16	-0.62	1.10	2.05	1.53	1.32	0.81	0.22	-6.54	-3.15	1.01
NONDURABLE GOODS.....	167.7	163.8	162.7	161.9	161.0	157.1	158.6	158.4	158.2	155.3	156.3	156.6	169.5	162.3	158.1
% Chg Same Qtr Last Yr.....	-3.21	-3.29	-4.07	-5.41	-4.03	-4.05	-2.54	-2.12	-1.72	-1.19	-1.45	-1.14	-4.29	-4.20	-2.61
TRADE, TRANSPORTATION, UTILITIES.....	589.5	570.8	574.8	577.3	592.0	576.9	583.6	585.2	600.5	583.9	590.1	594.3	576.8	578.7	586.5
% Chg Same Qtr Last Yr.....	-0.39	0.39	0.47	0.07	0.42	1.07	1.53	1.37	1.43	1.22	1.13	1.56	-2.27	0.34	1.35
WHOLESALE TRADE.....	128.3	127.0	127.3	125.9	126.0	125.6	127.9	128.1	128.2	127.9	130.0	130.2	126.5	126.6	127.5
% Chg Same Qtr Last Yr.....	1.16	1.60	1.19	-0.89	-1.74	-1.05	0.47	1.75	1.75	1.78	1.67	1.64	-0.78	0.03	0.72
RETAIL TRADE.....	321.7	306.4	309.0	311.7	325.7	313.6	316.3	317.1	332.0	318.4	320.7	324.1	312.2	313.2	319.7
% Chg Same Qtr Last Yr.....	-0.08	-0.10	0.03	0.09	1.23	2.34	2.36	1.73	1.94	1.53	1.39	2.21	-2.18	0.32	2.09
TRANSPORTATION & UTILITIES.....	139.6	137.4	138.5	139.7	140.3	137.7	139.4	140.0	140.3	137.7	139.4	140.0	138.1	139.0	139.3
% Chg Same Qtr Last Yr.....	-2.45	0.39	0.80	0.92	0.55	0.22	0.65	0.21	-0.05	0.00	0.02	0.00	-3.79	0.66	0.26
INFORMATION.....	52.9	51.9	51.4	50.3	51.1	49.9	49.6	48.8	49.6	48.4	48.1	47.4	53.3	51.2	49.5
% Chg Same Qtr Last Yr.....	-3.88	-4.06	-4.04	-4.74	-3.40	-3.92	-3.57	-2.85	-2.94	-3.07	-2.89	-3.00	-3.76	-4.06	-3.32
FINANCIAL ACTIVITIES.....	138.6	138.1	139.4	140.5	141.2	140.6	141.6	142.3	143.0	142.8	143.7	144.4	138.1	139.8	141.9
% Chg Same Qtr Last Yr.....	0.68	0.39	0.84	1.76	1.85	1.81	1.55	1.26	1.27	1.56	1.46	1.45	-0.24	1.21	1.47
PROFESSIONAL & BUSINESS SERVICES....	295.1	282.5	285.6	287.5	294.3	291.6	300.8	303.9	307.1	302.2	304.0	305.5	296.5	287.5	300.8
% Chg Same Qtr Last Yr.....	-1.08	-4.02	-4.00	-3.81	-0.28	3.22	5.32	5.68	4.35	3.64	1.06	0.53	-0.89	-3.03	4.65
EDUCATION & HEALTH SERVICES.....	309.3	309.7	312.1	312.2	317.1	316.2	319.3	319.1	323.9	322.7	325.4	325.5	300.1	312.8	319.6
% Chg Same Qtr Last Yr.....	6.30	6.33	5.00	3.16	2.53	2.12	2.30	2.22	2.15	2.06	1.91	2.01	4.99	4.22	2.20
LEISURE & HOSPITALITY.....	241.1	233.2	252.4	254.8	246.1	239.0	258.5	262.5	253.6	245.3	261.6	265.5	239.8	246.6	253.4
% Chg Same Qtr Last Yr.....	3.37	4.03	3.61	1.85	2.07	2.49	2.42	3.02	3.08	2.64	1.19	1.13	1.80	2.86	2.75
OTHER SERVICES.....	102.8	101.7	103.1	102.2	101.7	101.7	102.9	101.9	102.2	102.1	103.3	102.8	101.6	102.2	102.2
% Chg Same Qtr Last Yr.....	2.53	2.21	1.61	-0.45	-1.07	0.03	-0.13	-0.29	0.52	0.39	0.32	0.88	0.50	0.56	0.03
GOVERNMENT.....	418.0	413.8	414.1	399.6	416.9	421.8	415.2	400.8	418.1	417.6	415.2	402.5	410.3	411.1	414.0
% Chg Same Qtr Last Yr.....	1.50	0.27	0.20	0.65	-0.27	1.93	0.27	0.29	0.30	-0.99	0.00	0.42	1.76	0.21	0.70
FEDERAL, CIVILIAN.....	51.7	51.9	51.8	50.7	50.6	51.0	51.1	50.2	50.1	50.6	50.6	49.8	51.8	51.3	50.6
% Chg Same Qtr Last Yr.....	0.91	-0.57	-0.64	-0.98	-2.19	-1.73	-1.48	-0.86	-0.99	-0.91	-0.85	-0.86	0.60	-1.09	-1.27
STATE & LOCAL.....	366.3	361.8	362.3	349.0	366.3	370.7	364.2	350.6	368.1	367.0	364.6	352.7	358.4	359.9	363.4
% Chg Same Qtr Last Yr.....	1.58	0.39	0.32	0.90	0.00	2.46	0.52	0.46	0.47	-1.00	0.12	0.60	1.93	0.40	0.98

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **December 2005**

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL DURABLE GOODS.....	256.6	252.2	251.3	248.9	251.1	250.6	254.1	254.0	254.9	253.9	256.2	254.6	259.0	250.9	253.4
% Chg Same Qtr Last Yr.....	-3.06	-2.93	-3.53	-3.97	-2.16	-0.62	1.10	2.05	1.53	1.32	0.81	0.22	-0.07	-0.03	0.01
WOOD PRODUCTS.....	17.7	16.8	16.6	16.8	16.8	16.7	17.4	17.7	17.8	17.5	17.7	18.0	17.6	16.7	17.4
% Chg Same Qtr Last Yr.....	0.95	-3.27	-4.97	-5.62	-5.08	-0.40	5.03	5.56	5.75	4.59	1.72	1.32	-0.02	-0.05	0.04
NONMETALLIC MINERAL PRODUCTS.....	15.6	15.4	15.7	15.7	15.5	15.4	15.9	15.8	15.9	15.8	16.1	16.1	15.1	15.6	15.7
% Chg Same Qtr Last Yr.....	0.86	6.70	4.19	1.51	-0.43	-0.22	0.85	0.64	2.58	2.60	1.47	1.90	-0.03	0.03	0.01
PRIMARY METALS.....	12.2	11.8	11.7	11.6	12.0	12.0	12.2	12.3	12.4	12.3	12.4	12.5	12.6	11.8	12.2
% Chg Same Qtr Last Yr.....	-10.54	-13.02	-6.65	-5.16	-1.37	1.98	3.99	6.02	3.33	2.49	1.64	1.08	-0.17	-0.07	0.04
FABRICATED METAL PRODUCTS.....	41.4	41.6	41.3	41.0	41.6	41.4	41.7	41.8	42.1	41.8	42.1	42.0	41.4	41.4	41.8
% Chg Same Qtr Last Yr.....	-1.27	0.81	-0.08	-1.44	0.56	-0.48	0.81	1.87	1.12	0.97	0.96	0.48	-0.04	0.00	0.01
MACHINERY.....	34.8	33.7	33.8	32.5	32.9	34.1	35.0	33.8	34.0	34.4	35.0	34.1	35.9	33.2	34.2
% Chg Same Qtr Last Yr.....	-4.57	-7.42	-8.74	-8.36	-5.55	1.19	3.75	4.00	3.24	0.98	-0.19	0.99	-0.10	-0.08	0.03
COMPUTER & ELECTRONIC PRODUCTS...	12.4	11.4	11.6	11.7	11.9	11.2	11.2	11.2	11.2	10.6	10.8	10.8	12.9	11.7	11.2
% Chg Same Qtr Last Yr.....	-13.11	-14.46	-12.09	-7.37	-3.77	-2.33	-3.72	-4.83	-5.60	-5.07	-3.57	-3.58	-0.16	-0.10	-0.04
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	24.8	24.4	23.8	23.2	23.0	22.7	22.9	23.2	23.4	23.1	23.2	22.8	25.0	23.6	23.1
% Chg Same Qtr Last Yr.....	-3.88	-3.30	-4.79	-7.44	-7.13	-7.23	-3.78	0.00	1.59	2.06	1.31	-1.72	-0.05	-0.06	-0.02
TRANSPORTATION EQUIPMENT.....	60.0	60.1	60.1	59.7	60.8	61.2	61.6	61.9	62.1	62.3	62.7	62.1	60.0	60.2	61.7
% Chg Same Qtr Last Yr.....	-0.88	1.01	-0.22	-1.10	1.39	1.77	2.50	3.68	2.08	1.91	1.84	0.32	-0.04	0.00	0.03
FURNITURE.....	20.9	20.0	19.8	19.8	19.9	19.7	19.8	19.7	19.7	19.8	19.9	19.8	21.3	19.9	19.7
% Chg Same Qtr Last Yr.....	-4.70	-7.11	-7.78	-6.59	-4.78	-1.66	0.34	-0.50	-1.17	0.34	0.34	0.51	-0.10	-0.07	-0.01
MISCELLANEOUS DURABLE GOODS.....	16.9	16.9	16.9	16.8	16.6	16.3	16.4	16.5	16.4	16.2	16.3	16.4	17.1	16.8	16.4
% Chg Same Qtr Last Yr.....	-1.93	-0.98	-1.55	-2.71	-1.78	-3.56	-2.95	-1.39	-1.20	-0.20	-0.61	-0.81	-0.03	-0.02	-0.02

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONDURABLE GOODS.....	167.7	163.8	162.7	161.9	161.0	157.1	158.6	158.4	158.2	155.3	156.3	156.6	169.5	162.3	158.1
% Chg Same Qtr Last Yr.....	-3.21	-3.29	-4.07	-5.41	-4.03	-4.05	-2.54	-2.12	-1.72	-1.19	-1.45	-1.14	-4.29	-4.20	-2.61
FOOD.....	36.3	35.9	35.8	35.9	35.9	35.1	35.2	35.1	35.1	34.9	35.1	35.0	36.0	35.9	35.1
% Chg Same Qtr Last Yr.....	-0.18	1.03	-0.46	-1.10	-1.19	-2.23	-1.68	-2.23	-2.14	-0.57	-0.28	-0.19	0.60	-0.44	-2.07
BEVERAGE & TOBACCO.....	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.9	6.4	6.1	5.9
% Chg Same Qtr Last Yr.....	-2.56	-2.59	-3.14	-4.19	-5.26	-5.32	-3.78	-2.73	-1.67	-0.56	-0.56	-0.56	-2.05	-3.79	-3.40
TEXTILE MILLS.....	8.1	7.6	7.6	7.4	7.1	6.7	6.7	6.8	6.7	6.5	6.5	6.6	8.4	7.4	6.7
% Chg Same Qtr Last Yr.....	-5.06	-9.13	-11.33	-12.30	-12.70	-11.79	-11.01	-7.69	-5.63	-2.97	-3.47	-2.94	-11.70	-11.35	-9.10
TEXTILE PRODUCT MILLS.....	3.6	3.6	3.6	3.7	3.8	3.8	4.0	4.0	4.0	4.0	4.1	4.1	3.7	3.7	4.0
% Chg Same Qtr Last Yr.....	-10.74	-6.09	-4.42	0.00	5.56	5.56	11.11	8.11	5.26	5.26	1.67	3.33	-8.96	-1.34	7.48
APPAREL.....	11.7	11.0	10.5	9.9	9.5	9.3	9.3	9.1	9.0	8.7	8.6	8.4	12.4	10.2	9.2
% Chg Same Qtr Last Yr.....	-15.66	-12.93	-16.40	-21.99	-18.86	-15.45	-12.03	-8.39	-5.28	-6.45	-7.19	-7.33	-17.83	-17.53	-10.50
PAPER.....	20.2	19.4	19.5	19.7	19.6	18.5	18.6	18.8	18.8	18.1	18.2	18.4	20.4	19.6	18.7
% Chg Same Qtr Last Yr.....	-3.04	-3.32	-5.19	-4.98	-2.64	-4.63	-4.44	-4.57	-4.07	-2.52	-2.15	-2.13	-3.28	-4.05	-4.43
PRINTING & RELATED SUPPORT.....	20.6	19.7	19.9	19.9	20.0	19.0	19.4	19.4	19.5	18.5	18.9	19.1	20.5	19.9	19.3
% Chg Same Qtr Last Yr.....	-4.48	-4.21	-1.00	-4.33	-3.07	-3.55	-2.52	-2.18	-2.50	-2.63	-2.58	-1.72	-7.76	-3.17	-2.69
CHEMICALS.....	28.7	28.6	28.7	28.7	28.3	28.0	27.9	27.9	27.7	27.4	27.2	27.2	28.5	28.6	27.9
% Chg Same Qtr Last Yr.....	-0.23	1.30	2.13	-0.46	-1.51	-2.10	-2.90	-2.79	-2.12	-2.26	-2.51	-2.51	-1.95	0.35	-2.48
PLASTICS & RUBBER.....	29.1	28.6	28.2	27.9	27.9	28.0	28.6	28.5	28.5	28.5	28.8	29.1	30.0	28.2	28.4
% Chg Same Qtr Last Yr.....	-1.58	-5.50	-7.55	-7.51	-3.90	-2.33	1.54	2.15	2.03	1.91	0.82	2.22	-1.02	-6.14	0.83
MISCELLANEOUS NONDURABLE GOODS.....	3.1	2.9	2.8	2.7	2.9	2.7	3.0	2.9	3.0	2.7	3.0	2.7	3.2	2.8	2.9
% Chg Same Qtr Last Yr.....	-5.05	-9.28	-11.58	-13.68	-7.45	-7.95	5.95	6.10	4.60	1.23	1.12	-5.75	-6.39	-10.50	2.05

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	2670.3	2661.9	2659.9	2657.4	2671.9	2691.9	2698.8	2700.9	2712.5	2722.8	2720.9	2725.6	2664.5	2662.8	2701.0
% Chg Prev Qtr SAAR.....	-0.01	-1.26	-0.30	-0.37	2.19	3.03	1.02	0.32	1.73	1.52	-0.29	0.70	-0.89	-0.07	1.44
% Chg Same Qtr Last Yr.....	0.43	0.17	-0.01	-0.48	0.06	1.13	1.46	1.64	1.52	1.15	0.82	0.91	-0.89	-0.07	1.44
NATURAL RESOURCES & MINING.....	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.0	4.1	4.1	4.1	4.0	4.5	4.2	4.1
% Chg Prev Qtr SAAR.....	-13.74	-7.80	-5.44	-6.20	-4.92	0.38	-5.11	-5.02	10.40	0.14	-4.91	-4.32	-7.80	-7.15	-2.97
% Chg Same Qtr Last Yr.....	-8.96	-6.09	-8.02	-8.35	-6.10	-4.08	-4.00	-3.70	-0.03	-0.09	-0.04	0.15	-7.80	-7.15	-2.97
CONSTRUCTION.....	115.1	114.7	115.2	115.5	116.1	117.2	117.3	117.0	118.0	119.8	119.7	119.2	115.0	115.4	117.4
% Chg Prev Qtr SAAR.....	2.11	-1.38	1.64	1.16	1.98	3.96	0.23	-1.13	3.70	6.24	-0.44	-1.77	-4.49	0.38	1.73
% Chg Same Qtr Last Yr.....	-2.70	-0.89	0.73	0.87	0.84	2.18	1.82	1.24	1.67	2.22	2.05	1.88	-4.49	0.38	1.73
MANUFACTURING.....	423.5	418.4	413.4	409.9	411.1	410.2	411.9	411.7	412.1	411.7	411.7	410.6	428.5	413.2	411.5
% Chg Prev Qtr SAAR.....	-5.29	-4.75	-4.70	-3.37	1.18	-0.82	1.65	-0.19	0.33	-0.35	-0.05	-1.00	-5.66	-3.56	-0.41
% Chg Same Qtr Last Yr.....	-3.15	-3.02	-3.76	-4.53	-2.94	-1.95	-0.36	0.45	0.24	0.36	-0.07	-0.27	-5.66	-3.56	-0.41
DURABLE GOODS.....	256.4	253.2	250.5	249.0	250.8	251.6	253.2	254.2	254.6	254.9	255.3	254.8	259.0	250.9	253.4
% Chg Prev Qtr SAAR.....	-4.41	-4.89	-4.16	-2.40	2.90	1.36	2.59	1.48	0.61	0.59	0.58	-0.81	-6.54	-3.15	1.01
% Chg Same Qtr Last Yr.....	-3.06	-2.89	-3.54	-3.97	-2.18	-0.61	1.09	2.08	1.51	1.32	0.82	0.24	-6.54	-3.15	1.01
NONDURABLE GOODS.....	167.2	165.2	162.9	160.9	160.3	158.6	158.7	157.6	157.5	156.8	156.3	155.8	169.4	162.3	158.1
% Chg Prev Qtr SAAR.....	-6.63	-4.54	-5.52	-4.84	-1.43	-4.16	0.19	-2.82	-0.14	-1.87	-1.07	-1.31	-4.29	-4.20	-2.61
% Chg Same Qtr Last Yr.....	-3.27	-3.22	-4.09	-5.39	-4.10	-4.00	-2.58	-2.07	-1.75	-1.17	-1.48	-1.10	-4.29	-4.20	-2.61
TRADE, TRANSPORTATION, UTILITIES.....	578.6	578.0	577.4	578.4	581.0	584.1	586.5	586.2	589.2	591.2	593.2	595.3	576.8	578.7	586.5
% Chg Prev Qtr SAAR.....	0.39	-0.44	-0.41	0.67	1.81	2.19	1.65	-0.22	2.06	1.39	1.35	1.41	-2.29	0.33	1.35
% Chg Same Qtr Last Yr.....	-0.40	0.36	0.52	0.05	0.40	1.06	1.58	1.35	1.42	1.22	1.14	1.55	-2.29	0.33	1.35
WHOLESALE TRADE.....	127.9	127.6	127.0	125.8	125.7	126.4	127.6	128.0	127.9	128.7	129.6	130.1	126.5	126.5	127.5
% Chg Prev Qtr SAAR.....	2.69	-0.70	-1.93	-3.65	-0.53	2.23	3.79	1.50	-0.41	2.38	3.13	1.46	-0.79	0.03	0.72
% Chg Same Qtr Last Yr.....	1.18	1.68	1.13	-0.93	-1.71	-1.00	0.42	1.73	1.76	1.80	1.64	1.63	-0.79	0.03	0.72
RETAIL TRADE.....	312.3	311.2	311.8	313.4	316.1	318.4	319.4	318.8	322.2	323.2	323.9	325.8	312.2	313.2	319.7
% Chg Prev Qtr SAAR.....	-1.03	-1.44	0.75	2.13	3.47	2.85	1.29	-0.69	4.32	1.24	0.90	2.37	-2.21	0.31	2.09
% Chg Same Qtr Last Yr.....	-0.09	-0.17	0.09	0.09	1.21	2.30	2.43	1.72	1.92	1.52	1.42	2.20	-2.21	0.31	2.09
TRANSPORTATION & UTILITIES.....	138.4	139.1	138.6	139.1	139.1	139.4	139.6	139.3	139.1	139.4	139.6	139.3	138.1	139.0	139.3
% Chg Prev Qtr SAAR.....	1.56	2.09	-1.61	1.46	0.21	0.68	0.55	-0.68	-0.76	0.84	0.79	-0.84	-3.79	0.67	0.26
% Chg Same Qtr Last Yr.....	-2.48	0.33	0.94	0.86	0.53	0.18	0.73	0.19	-0.06	-0.02	0.04	0.00	-3.79	0.67	0.26
INFORMATION.....	52.4	51.9	51.5	50.7	50.6	49.9	49.6	48.8	49.2	48.7	48.2	47.4	53.3	51.2	49.4
% Chg Prev Qtr SAAR.....	-5.64	-4.25	-3.05	-5.83	-0.52	-5.67	-2.38	-6.30	3.04	-3.48	-4.31	-6.74	-3.79	-4.06	-3.52
% Chg Same Qtr Last Yr.....	-3.97	-4.01	-4.10	-4.70	-3.43	-3.79	-3.63	-3.75	-2.90	-2.34	-2.82	-2.94	-3.79	-4.06	-3.52
FINANCIAL ACTIVITIES.....	138.5	138.7	139.2	140.3	141.0	141.2	141.4	141.6	142.7	143.9	143.5	143.8	138.1	139.8	141.7
% Chg Prev Qtr SAAR.....	2.05	0.48	1.55	3.10	2.01	0.57	0.66	0.57	2.95	3.60	-1.20	0.75	-0.23	1.21	1.38
% Chg Same Qtr Last Yr.....	0.61	0.39	0.87	1.79	1.78	1.80	1.58	0.95	1.18	1.94	1.46	1.51	-0.23	1.21	1.38

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
PROF & BUSINESS SERVICES.....	292.4	287.1	285.9	285.5	291.5	296.3	301.1	302.7	305.0	305.6	303.8	304.4	296.5	287.5	301.3
% Chg Prev Qtr SAAR.....	-5.72	-7.01	-1.71	-0.51	8.63	6.85	6.54	2.19	3.07	0.83	-2.38	0.79	-0.89	-3.04	4.80
% Chg Same Qtr Last Yr.....	-1.12	-4.04	-4.00	-3.77	-0.31	3.22	5.32	6.02	4.64	3.14	0.91	0.56	-0.89	-3.04	4.80
EDUC & HEALTH SERVICES.....	307.2	310.8	312.2	313.0	315.1	317.3	319.3	320.0	321.9	323.7	325.4	326.6	300.1	312.8	319.6
% Chg Prev Qtr SAAR.....	5.20	4.75	1.88	0.99	2.70	2.79	2.60	0.91	2.41	2.23	2.04	1.47	4.99	4.22	2.20
% Chg Same Qtr Last Yr.....	6.39	6.29	4.96	3.19	2.57	2.09	2.27	2.25	2.18	2.03	1.89	2.04	4.99	4.22	2.20
LEISURE & HOSPITALITY.....	243.5	245.6	246.1	246.3	248.7	251.5	252.0	254.1	255.7	257.8	255.6	256.9	239.8	246.7	253.3
% Chg Prev Qtr SAAR.....	3.13	3.55	0.76	0.27	3.96	4.69	0.74	3.32	2.60	3.38	-3.42	2.05	1.80	2.88	2.70
% Chg Same Qtr Last Yr.....	3.44	3.95	3.56	1.92	2.12	2.40	2.40	3.17	2.83	2.50	1.43	1.12	1.80	2.88	2.70
OTHER SERVICES.....	102.2	102.9	102.9	101.8	101.4	102.6	102.6	101.7	102.1	102.9	102.8	102.7	101.7	102.2	102.2
% Chg Prev Qtr SAAR.....	0.81	2.74	0.08	-4.41	-1.38	4.81	-0.07	-3.50	1.65	3.03	-0.19	-0.33	0.50	0.54	0.00
% Chg Same Qtr Last Yr.....	2.94	1.72	1.47	-0.23	-0.78	-0.28	-0.32	-0.08	0.68	0.25	0.22	1.03	0.50	0.54	0.00
GOVERNMENT.....	412.4	409.4	411.8	411.9	411.3	417.3	412.9	413.1	412.6	413.2	412.9	414.8	410.3	411.1	414.0
% Chg Prev Qtr SAAR.....	3.16	-2.81	2.35	0.09	-0.59	5.96	-4.14	0.17	-0.52	0.63	-0.25	1.78	1.75	0.21	0.69
% Chg Same Qtr Last Yr.....	1.55	0.24	0.18	0.67	-0.26	1.92	0.26	0.28	0.30	-0.98	0.01	0.41	1.75	0.21	0.69
FEDERAL, CIVILIAN.....	52.3	51.6	51.3	51.0	51.0	50.7	50.6	50.6	50.4	50.3	50.2	50.2	51.8	51.2	50.6
% Chg Prev Qtr SAAR.....	6.11	-4.83	-2.54	-1.95	-0.34	-2.07	-1.06	0.34	-1.83	-0.95	-0.78	0.13	0.58	-1.11	-1.26
% Chg Same Qtr Last Yr.....	0.78	-0.66	-0.46	-0.89	-2.43	-1.73	-1.36	-0.79	-1.16	-0.88	-0.81	-0.86	0.58	-1.11	-1.26
STATE & LOCAL.....	360.1	357.8	360.5	360.9	360.3	366.6	362.3	362.5	362.1	362.9	362.8	364.6	358.5	359.9	363.4
% Chg Prev Qtr SAAR.....	2.74	-2.52	3.07	0.38	-0.63	7.13	-4.56	0.14	-0.34	0.85	-0.17	2.01	1.93	0.40	0.97
% Chg Same Qtr Last Yr.....	1.66	0.37	0.27	0.89	0.06	2.45	0.49	0.44	0.51	-1.00	0.12	0.58	1.93	0.40	0.97
STATISTICAL DISCREPANCY (%).....	-0.12	0.15	-0.01	-0.02	-0.12	0.13	-0.02	0.04	-0.07	0.12	-0.11	0.06	0.00	0.00	0.02

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Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL DURABLE GOODS.....	256.4	253.2	250.5	249.0	250.8	251.6	253.2	254.2	254.6	254.9	255.3	254.8	259.0	250.9	253.4
% Chg Prev Qtr SAAR.....	-4.41	-4.89	-4.16	-2.40	2.90	1.36	2.59	1.48	0.61	0.59	0.58	-0.81	-6.54	-3.15	1.01
% Chg Same Qtr Last Yr.....	-3.06	-2.89	-3.54	-3.97	-2.18	-0.61	1.09	2.08	1.51	1.32	0.82	0.24	-6.54	-3.15	1.01
WOOD PRODUCTS.....	17.6	17.0	16.6	16.6	16.7	17.0	17.5	17.5	17.6	17.8	17.8	17.8	17.6	16.7	17.4
% Chg Prev Qtr SAAR.....	-0.06	-11.88	-9.02	-0.75	1.67	7.42	12.23	1.35	2.24	2.93	0.41	-0.23	-1.58	-4.74	3.97
% Chg Same Qtr Last Yr.....	0.93	-3.23	-5.01	-5.57	-5.16	-0.35	5.02	5.57	5.72	4.60	1.73	1.33	-1.58	-4.74	3.97
NONMETALLIC MINERAL PRODUCTS.....	15.6	15.6	15.6	15.6	15.5	15.6	15.7	15.7	15.9	16.0	16.0	16.0	15.1	15.6	15.7
% Chg Prev Qtr SAAR.....	6.90	1.19	-0.13	-1.39	-1.62	2.42	4.01	-1.98	5.97	2.57	-0.54	-0.15	-3.41	2.93	0.96
% Chg Same Qtr Last Yr.....	0.81	6.74	4.14	1.60	-0.49	-0.19	0.82	0.67	2.56	2.60	1.46	1.93	-3.41	2.93	0.96
PRIMARY METALS.....	12.1	11.8	11.7	11.7	11.9	12.1	12.2	12.4	12.3	12.4	12.4	12.5	12.6	11.8	12.2
% Chg Prev Qtr SAAR.....	-6.55	-8.26	-3.65	-1.98	8.89	5.00	4.75	5.48	-1.95	1.88	1.45	2.97	-17.39	-6.73	3.82
% Chg Same Qtr Last Yr.....	-10.64	-13.03	-6.56	-5.14	-1.45	1.94	4.09	6.01	3.27	2.50	1.68	1.07	-17.39	-6.73	3.82
FABRICATED METAL PRODUCTS.....	41.3	41.6	41.3	41.1	41.6	41.5	41.7	41.9	42.0	41.9	42.1	42.1	41.4	41.4	41.7
% Chg Prev Qtr SAAR.....	-3.30	3.08	-2.94	-2.49	4.79	-0.99	1.97	1.94	1.45	-1.42	1.87	0.18	-4.13	-0.04	0.83
% Chg Same Qtr Last Yr.....	-1.27	0.88	-0.13	-1.45	0.55	-0.45	0.78	1.91	1.09	0.98	0.95	0.51	-4.13	-0.04	0.83
MACHINERY.....	35.3	33.6	33.1	32.9	33.4	34.0	34.3	34.2	34.4	34.3	34.2	34.6	35.9	33.2	34.2
% Chg Prev Qtr SAAR.....	-5.39	-18.78	-5.59	-2.37	5.92	7.47	4.19	-1.04	2.26	-1.41	-0.49	3.84	-9.86	-7.53	3.04
% Chg Same Qtr Last Yr.....	-4.59	-7.35	-8.83	-8.26	-5.63	1.21	3.73	4.08	3.17	0.97	-0.18	1.03	-9.86	-7.53	3.04
COMPUTER & ELECTRONIC PRODUCTS.....	12.1	11.7	11.7	11.7	11.7	11.4	11.2	11.1	11.0	10.9	10.8	10.7	12.9	11.7	11.2
% Chg Prev Qtr SAAR.....	-14.34	-13.94	-0.91	0.71	-0.69	-7.32	-7.62	-3.52	-4.18	-4.51	-2.10	-3.63	-15.65	-9.61	-4.10
% Chg Same Qtr Last Yr.....	-13.23	-14.25	-12.17	-7.39	-3.90	-2.10	-3.80	-4.83	-5.68	-4.97	-3.58	-3.61	-15.65	-9.61	-4.10
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	24.7	24.6	23.8	23.2	22.9	22.8	22.9	23.2	23.3	23.2	23.2	22.8	25.0	23.6	23.0
% Chg Prev Qtr SAAR.....	-4.89	-2.52	-11.01	-10.88	-3.87	-3.05	3.24	4.22	1.98	-1.22	0.36	-7.60	-4.94	-5.65	-2.45
% Chg Same Qtr Last Yr.....	-3.88	-3.34	-4.78	-7.40	-7.15	-7.28	-3.77	0.07	1.56	2.03	1.31	-1.69	-4.94	-5.65	-2.45
TRANSPORTATION EQUIPMENT.....	59.9	60.2	60.0	59.8	60.7	61.2	61.5	62.1	62.0	62.4	62.6	62.3	60.0	60.2	61.7
% Chg Prev Qtr SAAR.....	-4.13	2.04	-1.21	-0.99	6.07	3.24	1.70	3.96	-0.46	2.35	1.52	-1.92	-3.68	0.27	2.50
% Chg Same Qtr Last Yr.....	-0.86	1.02	-0.25	-1.10	1.43	1.73	2.47	3.73	2.10	1.88	1.83	0.36	-3.68	0.27	2.50
FURNITURE.....	20.8	20.1	19.8	19.8	19.9	19.8	19.8	19.7	19.6	19.9	19.9	19.8	21.3	19.9	19.7
% Chg Prev Qtr SAAR.....	-7.92	-13.67	-6.39	1.69	0.05	-1.54	1.39	-2.26	-2.34	5.06	1.08	-1.82	-9.92	-6.58	-0.75
% Chg Same Qtr Last Yr.....	-4.64	-7.06	-7.72	-6.73	-4.77	-1.59	0.39	-0.60	-1.20	0.42	0.34	0.45	-9.92	-6.58	-0.75
MISCELLANEOUS DURABLE GOODS.....	16.9	17.0	16.9	16.7	16.6	16.4	16.4	16.4	16.4	16.4	16.3	16.3	17.1	16.8	16.4
% Chg Prev Qtr SAAR.....	-5.76	2.29	-2.99	-4.55	-1.75	-4.83	-0.45	1.34	-0.66	-1.10	-1.87	0.30	-3.39	-1.75	-2.28
% Chg Same Qtr Last Yr.....	-1.97	-0.98	-1.45	-2.80	-1.78	-3.54	-2.91	-1.45	-1.18	-0.22	-0.58	-0.84	-3.39	-1.75	-2.28

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONDURABLE GOODS.....	167.2	165.2	162.9	160.9	160.3	158.6	158.7	157.6	157.5	156.8	156.3	155.8	169.4	162.3	158.1
% Chg Prev Qtr SAAR.....	-6.63	-4.54	-5.52	-4.84	-1.43	-4.16	0.19	-2.82	-0.14	-1.87	-1.07	-1.31	-4.29	-4.20	-2.61
% Chg Same Qtr Last Yr.....	-3.27	-3.22	-4.09	-5.39	-4.10	-4.00	-2.58	-2.07	-1.75	-1.17	-1.48	-1.10	-4.29	-4.20	-2.61
FOOD.....	36.1	36.2	35.9	35.8	35.7	35.4	35.3	35.0	34.9	35.2	35.2	34.9	36.0	35.9	35.1
% Chg Prev Qtr SAAR.....	-0.81	1.12	-3.34	-1.12	-1.18	-3.39	-1.21	-2.88	-1.01	2.81	-0.03	-2.31	0.60	-0.43	-2.07
% Chg Same Qtr Last Yr.....	-0.12	1.02	-0.55	-1.05	-1.14	-2.26	-1.73	-2.17	-2.13	-0.59	-0.30	-0.15	0.60	-0.43	-2.07
BEVERAGE & TOBACCO.....	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.9	6.4	6.1	5.9
% Chg Prev Qtr SAAR.....	-0.93	-3.73	-6.23	-5.88	-5.26	-3.79	-0.19	-1.50	-1.22	0.68	-0.24	-1.36	-2.03	-3.78	-3.39
% Chg Same Qtr Last Yr.....	-2.63	-2.51	-3.13	-4.22	-5.28	-5.30	-3.81	-2.70	-1.68	-0.56	-0.57	-0.54	-2.03	-3.78	-3.39
TEXTILE MILLS.....	8.1	7.8	7.5	7.3	7.1	6.8	6.7	6.7	6.7	6.6	6.5	6.5	8.4	7.4	6.7
% Chg Prev Qtr SAAR.....	-10.05	-17.00	-11.01	-11.77	-11.12	-12.99	-7.53	0.99	-2.63	-2.31	-9.30	2.42	-11.71	-11.34	-9.11
% Chg Same Qtr Last Yr.....	-5.14	-9.05	-11.13	-12.50	-12.76	-11.73	-10.88	-7.82	-5.69	-2.92	-3.39	-3.05	-11.71	-11.34	-9.11
TEXTILE PRODUCT MILLS.....	3.6	3.6	3.6	3.7	3.8	3.8	4.0	4.0	4.0	4.0	4.1	4.1	3.7	3.7	3.9
% Chg Prev Qtr SAAR.....	-8.52	3.17	-3.07	9.09	13.75	3.32	18.92	-2.22	2.01	3.67	3.21	4.58	-8.96	-1.34	7.48
% Chg Same Qtr Last Yr.....	-10.78	-5.98	-4.42	-0.05	5.54	5.58	11.12	8.12	5.22	5.30	1.64	3.36	-8.96	-1.34	7.48
APPAREL.....	11.7	11.1	10.5	9.9	9.5	9.4	9.2	9.1	9.0	8.8	8.6	8.4	12.4	10.2	9.2
% Chg Prev Qtr SAAR.....	-27.83	-19.09	-19.62	-20.88	-15.71	-4.73	-6.02	-6.43	-3.81	-9.51	-9.13	-6.55	-17.84	-17.51	-10.51
% Chg Same Qtr Last Yr.....	-15.68	-12.91	-16.46	-21.94	-18.85	-15.46	-12.10	-8.33	-5.25	-6.46	-7.25	-7.28	-17.84	-17.51	-10.51
PAPER.....	20.0	19.8	19.5	19.4	19.5	18.9	18.7	18.5	18.6	18.5	18.3	18.2	20.4	19.6	18.7
% Chg Prev Qtr SAAR.....	-7.29	-3.65	-5.73	-2.78	0.99	-10.47	-5.11	-2.99	2.31	-4.07	-3.66	-2.80	-3.29	-4.03	-4.42
% Chg Same Qtr Last Yr.....	-3.29	-3.21	-5.18	-4.88	-2.82	-4.59	-4.43	-4.48	-4.17	-2.51	-2.13	-2.09	-3.29	-4.03	-4.42
PRINTING & RELATED SUPPORT.....	20.4	20.1	20.0	19.6	19.7	19.4	19.5	19.2	19.2	18.9	19.0	18.9	20.5	19.9	19.3
% Chg Prev Qtr SAAR.....	-2.55	-5.15	-1.48	-7.60	1.16	-5.21	1.56	-5.59	-1.19	-4.57	0.71	-1.28	-7.78	-3.17	-2.67
% Chg Same Qtr Last Yr.....	-4.71	-4.04	-1.03	-4.23	-3.33	-3.34	-2.60	-2.08	-2.65	-2.49	-2.69	-1.60	-7.78	-3.17	-2.67
CHEMICALS.....	28.7	28.7	28.8	28.5	28.2	28.1	28.0	27.7	27.6	27.5	27.2	27.1	28.5	28.6	27.9
% Chg Prev Qtr SAAR.....	0.13	0.19	1.87	-4.00	-4.08	-1.66	-2.18	-3.10	-1.60	-2.00	-3.52	-2.79	-1.95	0.36	-2.47
% Chg Same Qtr Last Yr.....	-0.24	1.44	2.05	-0.47	-1.54	-2.00	-2.99	-2.76	-2.14	-2.22	-2.56	-2.48	-1.95	0.36	-2.47
PLASTICS & RUBBER.....	29.2	28.7	28.1	27.8	28.1	28.0	28.5	28.4	28.6	28.6	28.7	29.1	30.0	28.2	28.4
% Chg Prev Qtr SAAR.....	-11.60	-7.01	-8.36	-3.00	3.27	-0.62	6.65	-0.66	2.99	-1.06	1.97	5.07	-1.02	-6.14	0.83
% Chg Same Qtr Last Yr.....	-1.50	-5.45	-7.62	-7.54	-3.88	-2.27	1.51	2.11	2.05	1.93	0.80	2.22	-1.02	-6.14	0.83
MISCELLANEOUS NONDURABLE GOODS.....	3.1	3.0	2.8	2.7	2.8	2.8	2.9	2.9	2.9	2.8	3.0	2.8	3.2	2.8	2.9
% Chg Prev Qtr SAAR.....	-11.16	-7.86	-27.54	-4.47	12.45	-7.22	25.67	-1.31	2.51	-17.40	25.20	-24.94	-6.38	-10.49	2.00
% Chg Same Qtr Last Yr.....	-5.76	-9.15	-11.59	-13.24	-7.98	-7.82	5.79	6.65	4.21	1.23	1.13	-5.55	-6.38	-10.49	2.00

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Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2000 dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	31539	32395	32184	32434	32387	32779	32445	33166	33238	33813	33466	33454	31926	32350	32907
% Chg Same Qtr Last Yr.....	0.75	0.04	0.47	2.16	2.69	1.18	0.81	2.26	2.63	3.16	3.15	0.87	1.90	1.33	1.72
NATURAL RESOURCES & MINING.....	33567	34224	32490	31948	33299	34035	33127	34227	34080	36986	35145	35627	33907	32990	33867
% Chg Same Qtr Last Yr.....	-9.68	2.58	-7.79	-4.53	-0.80	-0.55	1.96	7.14	2.34	8.67	6.09	4.09	-3.23	-2.70	2.66
CONSTRUCTION.....	33387	35697	34704	33637	35181	35798	33873	33930	34201	35814	34527	33933	34459	34805	34451
% Chg Same Qtr Last Yr.....	-3.69	-3.88	1.66	1.40	5.37	0.28	-2.39	0.87	-2.78	0.04	1.93	0.01	-0.89	1.00	-1.02
MANUFACTURING.....	37548	38190	37902	38107	38873	38375	38652	39427	39770	39931	39226	39237	37610	38268	39056
% Chg Same Qtr Last Yr.....	4.14	1.52	0.10	1.86	3.53	0.48	1.98	3.46	2.31	4.06	1.49	-0.48	3.70	1.75	2.06
DURABLE GOODS.....	37331	37599	37534	37776	38544	38084	37771	38884	39096	39405	38600	38700	37435	37863	38459
% Chg Same Qtr Last Yr.....	3.83	0.43	-0.47	1.39	3.25	1.29	0.63	2.93	1.43	3.47	2.19	-0.47	4.31	1.14	1.57
NONDURABLE GOODS.....	37880	39102	38469	38616	39386	38838	40063	40297	40855	40792	40253	40111	37877	38893	40013
% Chg Same Qtr Last Yr.....	4.62	3.19	0.98	2.59	3.97	-0.68	4.14	4.35	3.73	5.03	0.47	-0.46	2.74	2.68	2.88
TRADE, TRANSPORTATION, UTILITIES.....	29790	31024	30924	30986	30721	31110	31127	31752	31573	32571	32598	32474	30589	30914	31391
% Chg Same Qtr Last Yr.....	0.87	-0.10	-0.39	1.71	3.12	0.28	0.66	2.47	2.77	4.69	4.73	2.27	2.06	1.06	1.54
WHOLESALE TRADE.....	41453	42923	42723	43491	43623	44279	44020	45538	46236	46894	46300	46457	42168	43190	45018
% Chg Same Qtr Last Yr.....	0.70	0.68	0.47	3.40	5.23	3.16	3.04	4.71	5.99	5.91	5.18	2.02	1.43	2.42	4.23
RETAIL TRADE.....	21680	22652	22563	22777	22151	22306	22496	22694	22214	23386	23546	23433	22469	22536	22428
% Chg Same Qtr Last Yr.....	0.41	-1.51	-1.53	2.21	2.17	-1.52	-0.30	-0.37	0.29	4.84	4.67	3.26	1.99	0.30	-0.48
TRANSPORTATION & UTILITIES.....	37767	38700	38736	38027	39023	39144	38885	39650	40320	40507	40644	40392	38336	38622	39500
% Chg Same Qtr Last Yr.....	1.82	0.43	-0.21	-0.52	3.33	1.15	0.38	4.27	3.32	3.48	4.52	1.87	2.70	0.75	2.27
INFORMATION.....	38471	38492	39107	39399	38631	39600	39141	40018	41198	42184	42045	42483	38279	38907	39989
% Chg Same Qtr Last Yr.....	0.41	0.63	3.18	2.36	0.42	2.88	0.09	1.57	6.64	6.53	7.42	6.16	0.83	1.64	2.78
FINANCIAL ACTIVITIES.....	43494	44894	46227	46241	45861	46553	45853	47321	47660	46379	44923	44678	43401	45806	46847
% Chg Same Qtr Last Yr.....	-1.27	1.04	7.62	8.23	5.44	3.70	-0.81	2.33	3.92	-0.37	-2.03	-5.58	1.14	5.54	2.27
PROFESSIONAL & BUSINESS SERVICES.....	33029	33834	33654	33843	33333	34587	33836	34655	34652	35674	35174	35183	33213	33666	34433
% Chg Same Qtr Last Yr.....	0.19	1.50	-0.56	3.68	0.92	2.22	0.54	2.40	3.96	3.14	3.96	1.52	1.88	1.36	2.28
EDUCATION & HEALTH SERVICES.....	33141	33233	33396	33951	34037	34491	34588	35003	35539	36116	37068	36450	33589	33654	34905
% Chg Same Qtr Last Yr.....	-0.08	-1.73	-1.24	1.09	2.70	3.79	3.57	3.10	4.41	4.71	7.17	4.13	1.36	0.19	3.72
LEISURE & HOSPITALITY.....	15448	16424	15118	15363	15842	16518	15046	15026	16056	16725	15809	15682	15587	15687	15661
% Chg Same Qtr Last Yr.....	-1.17	-1.08	-1.72	3.02	2.55	0.57	-0.48	-2.19	1.35	1.26	5.07	4.37	2.31	0.64	-0.16
OTHER SERVICES.....	29649	29419	29895	28993	28930	29916	29319	29327	29293	29436	29244	29231	28974	29309	29464
% Chg Same Qtr Last Yr.....	5.88	2.89	4.92	-0.58	-2.42	1.69	-1.93	1.15	1.25	-1.61	-0.26	-0.33	5.94	1.16	0.53
GOVERNMENT.....	30038	30750	30960	32179	30905	30810	31293	32957	31580	31691	31798	32806	30611	31198	31660
% Chg Same Qtr Last Yr.....	1.09	0.88	1.86	2.07	2.88	0.19	1.07	2.42	2.18	2.86	1.61	-0.46	2.11	1.92	1.48
FEDERAL, CIVILIAN.....	47675	49178	49653	49970	49964	51182	51470	51362	51283	52293	52105	51901	48216	49691	51324
% Chg Same Qtr Last Yr.....	4.08	0.70	3.04	3.75	4.80	4.07	3.66	2.79	2.64	2.17	1.23	1.05	2.57	3.06	3.29
STATE & LOCAL.....	27549	28105	28286	29595	28274	28005	28464	30320	28900	28852	28978	30109	28066	28565	28922
% Chg Same Qtr Last Yr.....	0.44	1.02	1.65	1.82	2.63	-0.35	0.63	2.45	2.21	3.02	1.81	-0.70	2.12	1.78	1.25

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	31796	32022	32277	32444	32650	32409	32540	33173	33508	33437	33560	33455	31922	32348	32908
% Chg Prev Qtr SAAR.....	0.33	2.88	3.21	2.10	2.56	-2.91	1.62	8.02	4.10	-0.84	1.48	-1.25	1.90	1.34	1.73
% Chg Same Qtr Last Yr.....	0.74	0.07	0.48	2.12	2.69	1.21	0.82	2.25	2.63	3.17	3.14	0.85	1.90	1.34	1.73
NATURAL RESOURCES & MINING.....	33581	33352	32872	32336	33325	33206	33558	34556	34117	36118	35616	35917	33903	32971	33859
% Chg Prev Qtr SAAR.....	-4.53	-2.70	-5.63	-6.37	12.81	-1.42	4.31	12.44	-4.99	25.61	-5.45	3.42	-3.13	-2.75	2.69
% Chg Same Qtr Last Yr.....	-9.68	2.71	-7.63	-4.82	-0.76	-0.44	2.09	6.87	2.38	8.77	6.13	3.94	-3.13	-2.75	2.69
CONSTRUCTION.....	33628	34058	35046	34578	35443	34221	34191	34936	34539	34151	34787	34921	34425	34781	34472
% Chg Prev Qtr SAAR.....	-5.73	5.21	12.11	-5.23	10.39	-13.10	-0.35	9.00	-4.46	-4.43	7.66	1.55	-0.96	1.04	-0.89
% Chg Same Qtr Last Yr.....	-3.54	-3.87	1.54	1.32	5.40	0.48	-2.44	1.03	-2.55	-0.20	1.74	-0.04	-0.96	1.04	-0.89
MANUFACTURING.....	37619	37964	37962	38192	38962	38140	38724	39497	39869	39685	39304	39296	37613	38270	39058
% Chg Prev Qtr SAAR.....	1.26	3.72	-0.02	2.45	8.31	-8.18	6.27	8.23	3.82	-1.83	-3.79	-0.08	3.70	1.75	2.06
% Chg Same Qtr Last Yr.....	4.17	1.47	0.12	1.84	3.57	0.46	2.01	3.42	2.33	4.05	1.50	-0.51	3.70	1.75	2.06
DURABLE GOODS.....	37363	37447	37657	37767	38588	37928	37899	38863	39147	39244	38729	38670	37437	37865	38459
% Chg Prev Qtr SAAR.....	1.19	0.90	2.26	1.18	8.98	-6.66	-0.31	10.56	2.96	0.99	-5.14	-0.60	4.31	1.14	1.57
% Chg Same Qtr Last Yr.....	3.83	0.39	-0.46	1.38	3.28	1.28	0.64	2.90	1.45	3.47	2.19	-0.49	4.31	1.14	1.57
NONDURABLE GOODS.....	38011	38756	38431	38851	39547	38475	40041	40521	41036	40403	40242	40319	37882	38896	40018
% Chg Prev Qtr SAAR.....	1.38	8.07	-3.32	4.44	7.37	-10.41	17.30	4.89	5.18	-6.03	-1.58	0.77	2.75	2.68	2.88
% Chg Same Qtr Last Yr.....	4.68	3.11	1.01	2.56	4.04	-0.73	4.19	4.30	3.76	5.01	0.50	-0.50	2.75	2.68	2.88
TRADE, TRANSPORTATION, UTILITIES.....	30352	30636	30783	30929	31306	30726	30970	31699	32180	32169	32429	32419	30582	30914	31394
% Chg Prev Qtr SAAR.....	-0.70	3.80	1.94	1.91	4.97	-7.22	3.22	9.74	6.21	-0.13	3.26	-0.12	2.05	1.08	1.55
% Chg Same Qtr Last Yr.....	0.88	-0.06	-0.44	1.72	3.15	0.29	0.61	2.49	2.79	4.70	4.71	2.27	2.05	1.08	1.55
WHOLESALE TRADE.....	41582	42694	42804	43521	43745	44019	44128	45576	46358	46608	46426	46498	42168	43191	45020
% Chg Prev Qtr SAAR.....	-4.62	11.14	1.03	6.86	2.08	2.53	0.99	13.78	7.04	2.17	-1.55	0.62	1.43	2.43	4.23
% Chg Same Qtr Last Yr.....	0.67	0.61	0.53	3.43	5.20	3.10	3.09	4.72	5.97	5.88	5.21	2.02	1.43	2.43	4.23
RETAIL TRADE.....	22329	22301	22360	22648	22818	21970	22279	22569	22889	23035	23311	23306	22459	22532	22426
% Chg Prev Qtr SAAR.....	3.09	-0.50	1.07	5.24	3.04	-14.06	5.74	5.31	5.80	2.59	4.87	-0.08	1.97	0.32	-0.47
% Chg Same Qtr Last Yr.....	0.42	-1.44	-1.60	2.20	2.19	-1.48	-0.37	-0.35	0.31	4.85	4.63	3.27	1.97	0.32	-0.47
TRANSPORTATION & UTILITIES.....	38081	38218	38717	38198	39356	38671	38836	39839	40667	40024	40585	40583	38336	38622	39503
% Chg Prev Qtr SAAR.....	-3.07	1.44	5.32	-5.25	12.68	-6.78	1.71	10.74	8.57	-6.18	5.73	-0.02	2.70	0.75	2.28
% Chg Same Qtr Last Yr.....	1.85	0.49	-0.34	-0.47	3.35	1.19	0.31	4.29	3.33	3.50	4.50	1.87	2.70	0.75	2.28
INFORMATION.....	38814	38542	39056	39062	38987	39600	39114	40045	41561	41866	41987	42483	38286	38912	40080
% Chg Prev Qtr SAAR.....	6.85	-2.78	5.44	0.06	-0.76	6.43	-4.81	9.87	16.03	2.97	1.16	4.81	0.86	1.63	3.00
% Chg Same Qtr Last Yr.....	0.50	0.57	3.24	2.32	0.45	2.74	0.15	2.52	6.60	5.72	7.34	6.09	0.86	1.63	3.00
FINANCIAL ACTIVITIES.....	43525	44700	46293	46318	45926	46355	45907	47543	47771	46014	44975	44864	43400	45809	46894
% Chg Prev Qtr SAAR.....	6.87	11.24	15.04	0.21	-3.34	3.79	-3.81	15.04	1.93	-13.92	-8.73	-0.98	1.13	5.55	2.37
% Chg Same Qtr Last Yr.....	-1.20	1.04	7.59	8.20	5.52	3.70	-0.83	2.65	4.02	-0.74	-2.03	-5.63	1.13	5.55	2.37

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
PROFESSIONAL & BUSINESS SERVICES...	33342	33292	33618	34084	33657	34034	33802	34789	34890	35274	35194	35307	33208	33663	34379
% Chg Prev Qtr SAAR.....	5.62	-0.59	3.97	5.66	-4.92	4.56	-2.70	12.19	1.17	4.47	-0.90	1.29	1.86	1.37	2.13
% Chg Same Qtr Last Yr.....	0.22	1.52	-0.56	3.63	0.95	2.23	0.55	2.07	3.66	3.64	4.12	1.49	1.86	1.37	2.13
EDUCATION & HEALTH SERVICES.....	33365	33114	33382	33860	34254	34378	34582	34900	35758	36005	37068	36332	33584	33652	34905
% Chg Prev Qtr SAAR.....	-1.65	-2.98	3.28	5.85	4.74	1.46	2.39	3.73	10.20	2.79	12.34	-7.71	1.36	0.20	3.72
% Chg Same Qtr Last Yr.....	-0.16	-1.69	-1.19	1.06	2.66	3.82	3.60	3.07	4.39	4.73	7.19	4.10	1.36	0.20	3.72
LEISURE & HOSPITALITY.....	15294	15594	15505	15896	15676	15697	15434	15525	15926	15915	16178	16205	15564	15668	15645
% Chg Prev Qtr SAAR.....	-3.72	8.10	-2.27	10.46	-5.41	0.53	-6.53	2.37	10.74	-0.28	6.79	0.68	2.26	0.67	-0.14
% Chg Same Qtr Last Yr.....	-1.23	-1.01	-1.67	2.95	2.50	0.66	-0.46	-2.33	1.59	1.39	4.82	4.38	2.26	0.67	-0.14
OTHER SERVICES.....	29823	29069	29940	29128	29014	29652	29418	29401	29333	29219	29374	29262	28950	29288	29451
% Chg Prev Qtr SAAR.....	6.40	-9.74	12.54	-10.41	-1.55	9.09	-3.12	-0.24	-0.92	-1.55	2.14	-1.51	5.92	1.17	0.56
% Chg Same Qtr Last Yr.....	5.46	3.39	5.07	-0.80	-2.71	2.01	-1.74	0.94	1.10	-1.46	-0.15	-0.47	5.92	1.17	0.56
GOVERNMENT.....	30450	31074	31133	31218	31324	31139	31468	31976	32007	32028	31975	31832	30599	31187	31648
% Chg Prev Qtr SAAR.....	-1.82	8.45	0.76	1.10	1.37	-2.35	4.30	6.62	0.38	0.27	-0.67	-1.77	2.11	1.92	1.48
% Chg Same Qtr Last Yr.....	1.04	0.91	1.88	2.05	2.87	0.21	1.08	2.43	2.18	2.86	1.61	-0.45	2.11	1.92	1.48
FEDERAL, CIVILIAN.....	47160	49476	50178	49606	49543	51488	51951	50953	50939	52587	52569	51484	48223	49701	51333
% Chg Prev Qtr SAAR.....	-5.69	21.13	5.80	-4.49	-0.51	16.65	3.64	-7.46	-0.11	13.58	-0.14	-8.00	2.58	3.06	3.28
% Chg Same Qtr Last Yr.....	4.21	0.79	2.85	3.66	5.05	4.07	3.53	2.72	2.82	2.13	1.19	1.04	2.58	3.06	3.28
STATE & LOCAL.....	28025	28420	28424	28618	28746	28323	28608	29325	29372	29180	29126	29126	28051	28552	28907
% Chg Prev Qtr SAAR.....	-1.13	5.75	0.06	2.76	1.80	-5.76	4.09	10.41	0.64	-2.59	-0.74	0.01	2.12	1.78	1.24
% Chg Same Qtr Last Yr.....	0.36	1.03	1.70	1.83	2.57	-0.34	0.65	2.47	2.18	3.03	1.81	-0.68	2.12	1.78	1.24

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Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	32885	34032	33864	34294	34355	35101	35069	35980	36338	37173	37091	37406	33055	34136	35622
% Chg Same Qtr Last Yr.....	2.55	2.36	2.25	4.02	4.47	3.14	3.56	4.92	5.77	5.90	5.77	3.96	3.35	3.27	4.35
NATURAL RESOURCES & MINING.....	35000	35952	34186	33780	35323	36446	35806	37131	37258	40661	38952	39836	35108	34810	36660
% Chg Same Qtr Last Yr.....	-8.06	4.96	-6.16	-2.79	0.92	1.37	4.74	9.92	5.48	11.56	8.78	7.28	-1.85	-0.85	5.32
CONSTRUCTION.....	34812	37500	36516	35566	37318	38334	36613	36809	37391	39373	38267	37942	35671	36725	37287
% Chg Same Qtr Last Yr.....	-1.97	-1.66	3.47	3.25	7.20	2.22	0.27	3.50	0.19	2.71	4.52	3.08	0.50	2.96	1.53
MANUFACTURING.....	39151	40119	39880	40292	41235	41093	41779	42772	43479	43899	43475	43873	38942	40382	42281
% Chg Same Qtr Last Yr.....	6.00	3.88	1.88	3.72	5.32	2.43	4.76	6.15	5.44	6.83	4.06	2.57	5.18	3.70	4.70
DURABLE GOODS.....	38924	39498	39493	39942	40886	40782	40826	42183	42742	43320	42781	43272	38761	39955	41634
% Chg Same Qtr Last Yr.....	5.69	2.76	1.29	3.23	5.04	3.25	3.38	5.61	4.54	6.22	4.79	2.58	5.79	3.08	4.20
NONDURABLE GOODS.....	39497	41077	40477	40830	41779	41589	43304	43716	44665	44845	44613	44850	39219	41041	43318
% Chg Same Qtr Last Yr.....	6.49	5.58	2.77	4.46	5.78	1.25	6.98	7.07	6.91	7.83	3.02	2.60	4.21	4.65	5.55
TRADE, TRANSPORTATION, UTILITIES.....	31062	32591	32538	32763	32588	33314	33645	34446	34518	35807	36129	36310	31669	32620	33981
% Chg Same Qtr Last Yr.....	2.68	2.22	1.38	3.56	4.91	2.22	3.40	5.14	5.92	7.48	7.38	5.41	3.50	3.00	4.17
WHOLESALE TRADE.....	43222	45091	44953	45985	46273	47416	47581	49402	50548	51554	51315	51945	43659	45575	48737
% Chg Same Qtr Last Yr.....	2.50	3.01	2.25	5.28	7.06	5.16	5.85	7.43	9.24	8.73	7.85	5.15	2.87	4.39	6.94
RETAIL TRADE.....	22605	23796	23741	24083	23496	23886	24316	24619	24286	25709	26096	26201	23262	23779	24277
% Chg Same Qtr Last Yr.....	2.21	0.78	0.21	4.07	3.94	0.38	2.42	2.23	3.36	7.63	7.32	6.43	3.42	2.22	2.09
TRANSPORTATION & UTILITIES.....	39379	40655	40758	40208	41394	41917	42030	43014	44080	44532	45047	45164	39692	40754	42760
% Chg Same Qtr Last Yr.....	3.64	2.76	1.56	1.29	5.12	3.10	3.12	6.98	6.49	6.24	7.18	5.00	4.16	2.67	4.92
INFORMATION.....	40113	40436	41148	41658	40978	42405	42307	43413	45040	46375	46600	47502	39635	41055	43291
% Chg Same Qtr Last Yr.....	2.20	2.96	5.01	4.23	2.16	4.87	2.82	4.21	9.91	9.36	10.15	9.42	2.26	3.58	5.45
FINANCIAL ACTIVITIES.....	45350	47161	48640	48892	48647	49851	49562	51335	52105	50987	49789	49956	44936	48335	50713
% Chg Same Qtr Last Yr.....	0.49	3.38	9.53	10.20	7.27	5.70	1.90	5.00	7.11	2.28	0.46	-2.69	2.56	7.56	4.92
PROFESSIONAL & BUSINESS SERVICES.....	34439	35543	35410	35784	35358	37037	36573	37595	37883	39219	38985	39340	34388	35524	37272
% Chg Same Qtr Last Yr.....	1.98	3.85	1.20	5.57	2.67	4.20	3.28	5.06	7.14	5.89	6.59	4.64	3.32	3.30	4.92
EDUCATION & HEALTH SERVICES.....	34556	34912	35139	35897	36105	36935	37386	37972	38854	39705	41083	40756	34778	35513	37787
% Chg Same Qtr Last Yr.....	1.70	0.55	0.52	2.93	4.48	5.79	6.39	5.78	7.61	7.50	9.89	7.33	2.79	2.12	6.40
LEISURE & HOSPITALITY.....	16108	17253	15907	16244	16804	17688	16263	16301	17553	18387	17521	17535	16136	16552	16951
% Chg Same Qtr Last Yr.....	0.60	1.21	0.03	4.90	4.33	2.52	2.24	0.35	4.45	3.95	7.74	7.57	3.75	2.58	2.41
OTHER SERVICES.....	30914	30905	31455	30655	30688	32035	31690	31815	32025	32360	32411	32684	30003	30926	31891
% Chg Same Qtr Last Yr.....	7.78	5.27	6.78	1.23	-0.73	3.66	0.75	3.78	4.36	1.01	2.27	2.73	7.45	3.08	3.12
GOVERNMENT.....	31320	32303	32576	34024	32782	32992	33824	35753	34525	34840	35243	36681	31695	32921	34274
% Chg Same Qtr Last Yr.....	2.89	3.22	3.66	3.93	4.67	2.13	3.83	5.08	5.32	5.60	4.19	2.60	3.55	3.87	4.11
FEDERAL, CIVILIAN.....	49710	51662	52244	52836	52999	54807	55633	55720	56065	57488	57749	58032	49921	52435	55556
% Chg Same Qtr Last Yr.....	5.94	3.04	4.86	5.64	6.62	6.09	6.49	5.46	5.78	4.89	3.80	4.15	4.02	5.04	5.95
STATE & LOCAL.....	28725	29525	29763	31292	29992	29989	30766	32892	31595	31719	32117	33666	29060	30143	31311
% Chg Same Qtr Last Yr.....	2.23	3.36	3.46	3.68	4.41	1.57	3.37	5.11	5.34	5.77	4.39	2.35	3.56	3.73	3.87

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Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL NONFARM.....	33153	33640	33961	34305	34634	34705	35172	35988	36633	36759	37196	37408	33052	34135	35624
% Chg Prev Qtr SAAR.....	1.99	6.00	3.88	4.11	3.89	0.83	5.49	9.61	7.37	1.39	4.83	2.30	3.34	3.28	4.36
% Chg Same Qtr Last Yr.....	2.54	2.39	2.26	3.99	4.47	3.17	3.56	4.91	5.77	5.92	5.75	3.95	3.34	3.28	4.36
NATURAL RESOURCES & MINING.....	35014	35036	34588	34190	35350	35558	36273	37488	37299	39707	39474	40160	35106	34791	36654
% Chg Prev Qtr SAAR.....	-2.95	0.25	-5.02	-4.53	14.28	2.38	8.28	14.09	-2.01	28.44	-2.33	7.14	-1.75	-0.90	5.36
% Chg Same Qtr Last Yr.....	-8.06	5.09	-5.99	-3.08	0.96	1.49	4.87	9.65	5.51	11.67	8.82	7.13	-1.75	-0.90	5.36
CONSTRUCTION.....	35064	35779	36875	36561	37597	36645	36957	37900	37761	37544	38555	39046	35640	36703	37315
% Chg Prev Qtr SAAR.....	-4.17	8.41	12.83	-3.36	11.83	-9.75	3.45	10.61	-1.46	-2.28	11.21	5.20	0.44	2.98	1.67
% Chg Same Qtr Last Yr.....	-1.82	-1.64	3.34	3.16	7.22	2.42	0.22	3.66	0.44	2.45	4.32	3.03	0.44	2.98	1.67
MANUFACTURING.....	39225	39882	39943	40382	41329	40841	41857	42848	43587	43628	43561	43939	38945	40384	42283
% Chg Prev Qtr SAAR.....	2.93	6.87	0.62	4.47	9.71	-4.64	10.32	9.82	7.08	0.38	-0.61	3.51	5.18	3.69	4.70
% Chg Same Qtr Last Yr.....	6.03	3.82	1.89	3.70	5.37	2.41	4.79	6.11	5.46	6.82	4.07	2.54	5.18	3.69	4.70
DURABLE GOODS.....	38958	39338	39622	39932	40932	40615	40965	42160	42798	43143	42924	43239	38763	39956	41634
% Chg Prev Qtr SAAR.....	2.87	3.96	2.92	3.17	10.40	-3.06	3.49	12.19	6.20	3.26	-2.01	2.97	5.79	3.08	4.20
% Chg Same Qtr Last Yr.....	5.69	2.72	1.31	3.23	5.07	3.24	3.39	5.58	4.56	6.22	4.78	2.56	5.79	3.08	4.20
NONDURABLE GOODS.....	39634	40714	40437	41078	41950	41201	43280	43959	44863	44417	44602	45083	39224	41045	43325
% Chg Prev Qtr SAAR.....	3.06	11.36	-2.69	6.50	8.76	-6.96	21.76	6.43	8.48	-3.91	1.67	4.39	4.22	4.64	5.56
% Chg Same Qtr Last Yr.....	6.55	5.50	2.80	4.43	5.85	1.20	7.03	7.01	6.94	7.81	3.05	2.56	4.22	4.64	5.56
TRADE, TRANSPORTATION, UTILITIES.....	31647	32184	32390	32702	33209	32902	33476	34388	35181	35366	35941	36249	31665	32621	33987
% Chg Prev Qtr SAAR.....	0.95	6.96	2.59	3.91	6.34	-3.64	7.15	11.35	9.55	2.12	6.67	3.47	3.50	3.02	4.19
% Chg Same Qtr Last Yr.....	2.69	2.26	1.33	3.58	4.93	2.23	3.35	5.15	5.94	7.49	7.37	5.41	3.50	3.02	4.19
WHOLESALE TRADE.....	43357	44851	45039	46016	46403	47138	47697	49442	50681	51239	51455	51991	43660	45577	48740
% Chg Prev Qtr SAAR.....	-3.04	14.51	1.68	8.97	3.41	6.48	4.84	15.46	10.41	4.47	1.70	4.23	2.87	4.39	6.94
% Chg Same Qtr Last Yr.....	2.47	2.94	2.32	5.32	7.03	5.10	5.90	7.45	9.22	8.70	7.88	5.16	2.87	4.39	6.94
RETAIL TRADE.....	23282	23427	23528	23947	24205	23526	24081	24483	25023	25324	25836	26059	23254	23777	24278
% Chg Prev Qtr SAAR.....	4.80	2.52	1.73	7.31	4.38	-10.75	9.76	6.86	9.12	4.90	8.33	3.51	3.41	2.25	2.11
% Chg Same Qtr Last Yr.....	2.21	0.84	0.15	4.07	3.97	0.42	2.35	2.24	3.38	7.64	7.29	6.44	3.41	2.25	2.11
TRANSPORTATION & UTILITIES.....	39707	40148	40738	40389	41747	41411	41977	43219	44459	44000	44981	45377	39694	40755	42766
% Chg Prev Qtr SAAR.....	-1.46	4.52	6.00	-3.38	14.15	-3.18	5.58	12.37	11.99	-4.07	9.22	3.57	4.16	2.68	4.93
% Chg Same Qtr Last Yr.....	3.67	2.81	1.43	1.34	5.14	3.14	3.04	7.01	6.50	6.25	7.16	4.99	4.16	2.68	4.93
INFORMATION.....	40470	40488	41095	41302	41356	42405	42278	43443	45437	46026	46535	47502	39643	41060	43391
% Chg Prev Qtr SAAR.....	8.62	0.18	6.12	2.03	0.53	10.54	-1.19	11.48	19.67	5.28	4.50	8.57	2.29	3.58	5.68
% Chg Same Qtr Last Yr.....	2.30	2.90	5.07	4.18	2.19	4.73	2.88	5.18	9.87	8.54	10.07	9.34	2.29	3.58	5.68
FINANCIAL ACTIVITIES.....	45383	46957	48710	48974	48716	49639	49621	51577	52227	50586	49847	50165	44935	48339	50766
% Chg Prev Qtr SAAR.....	8.64	14.62	15.78	2.19	-2.09	7.79	-0.15	16.73	5.14	-11.99	-5.72	2.58	2.55	7.58	5.02
% Chg Same Qtr Last Yr.....	0.57	3.38	9.50	10.17	7.35	5.71	1.87	5.32	7.21	1.91	0.46	-2.74	2.55	7.58	5.02

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
PROFESSIONAL & BUSINESS SERVICES...	34765	34974	35373	36039	35702	36445	36537	37740	38144	38778	39006	39478	34385	35522	37217
% Chg Prev Qtr SAAR.....	7.37	2.43	4.65	7.74	-3.68	8.59	1.01	13.84	4.35	6.82	2.37	4.93	3.30	3.31	4.77
% Chg Same Qtr Last Yr.....	2.01	3.87	1.20	5.52	2.70	4.21	3.29	4.72	6.84	6.40	6.76	4.60	3.30	3.31	4.77
EDUCATION & HEALTH SERVICES.....	34789	34786	35124	35802	36335	36814	37380	37861	39093	39583	41083	40624	34773	35512	37787
% Chg Prev Qtr SAAR.....	-0.02	-0.03	3.94	7.94	6.10	5.37	6.29	5.25	13.66	5.10	16.05	-4.39	2.79	2.12	6.41
% Chg Same Qtr Last Yr.....	1.62	0.59	0.56	2.90	4.44	5.83	6.42	5.75	7.59	7.52	9.91	7.30	2.79	2.12	6.41
LEISURE & HOSPITALITY.....	15947	16382	16315	16807	16629	16809	16683	16842	17411	17496	17930	18120	16114	16533	16936
% Chg Prev Qtr SAAR.....	-2.13	11.38	-1.64	12.63	-4.18	4.41	-2.97	3.88	14.21	1.96	10.31	4.30	3.69	2.60	2.44
% Chg Same Qtr Last Yr.....	0.53	1.28	0.07	4.83	4.28	2.61	2.26	0.21	4.70	4.09	7.48	7.59	3.69	2.60	2.44
OTHER SERVICES.....	31096	30537	31503	30798	30777	31753	31798	31895	32068	32122	32556	32719	29979	30904	31879
% Chg Prev Qtr SAAR.....	8.16	-7.00	13.26	-8.65	-0.27	13.30	0.57	1.23	2.19	0.67	5.51	2.02	7.43	3.08	3.15
% Chg Same Qtr Last Yr.....	7.35	5.78	6.93	1.00	-1.03	3.98	0.94	3.56	4.19	1.16	2.38	2.58	7.43	3.08	3.15
GOVERNMENT.....	31750	32644	32758	33008	33228	33345	34014	34689	34992	35211	35438	35593	31682	32909	34260
% Chg Prev Qtr SAAR.....	-0.20	11.75	1.41	3.09	2.68	1.42	8.27	8.19	3.53	2.52	2.61	1.76	3.55	3.87	4.10
% Chg Same Qtr Last Yr.....	2.84	3.24	3.68	3.91	4.65	2.15	3.83	5.09	5.31	5.60	4.19	2.60	3.55	3.87	4.10
FEDERAL, CIVILIAN.....	49173	51975	52798	52450	52553	55136	56153	55276	55690	57812	58263	57566	49926	52444	55564
% Chg Prev Qtr SAAR.....	-4.13	24.81	6.49	-2.61	0.79	21.15	7.59	-6.10	3.03	16.13	3.16	-4.70	4.03	5.04	5.95
% Chg Same Qtr Last Yr.....	6.07	3.13	4.67	5.55	6.87	6.08	6.35	5.39	5.97	4.85	3.76	4.14	4.03	5.04	5.95
STATE & LOCAL.....	29221	29855	29907	30259	30492	30329	30922	31813	32111	32079	32280	32567	29045	30128	31294
% Chg Prev Qtr SAAR.....	0.50	8.97	0.70	4.78	3.12	-2.12	8.05	12.04	3.80	-0.40	2.53	3.60	3.56	3.73	3.87
% Chg Same Qtr Last Yr.....	2.15	3.37	3.51	3.68	4.35	1.59	3.39	5.14	5.31	5.77	4.39	2.37	3.56	3.73	3.87

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
CIVILIAN LABOR FORCE (THOUS).....	2909	2881	2908	2907	2915	2895	2906	2917	2914	2883	2895	2910	2883	2903	2908
% Chg Same Qtr Last Yr.....	1.98	1.41	1.20	-0.10	0.23	0.45	-0.05	0.33	-0.06	-0.39	-0.38	-0.25	0.83	0.68	0.17
EMPLOYED PERSONS (THOUS).....	2766	2717	2750	2744	2759	2727	2758	2761	2762	2701	2725	2757	2734	2742	2752
% Chg Same Qtr Last Yr.....	2.10	1.50	0.70	-0.65	-0.25	0.38	0.29	0.61	0.11	-0.94	-1.17	-0.15	0.19	0.31	0.35
UNEMPLOYED PERSONS (THOUS).....	143	165	158	163	157	168	149	156	152	182	170	153	150	161	156
% Chg Same Qtr Last Yr.....	-0.21	0.08	10.72	10.09	9.65	1.73	-6.02	-4.48	-3.11	8.56	14.36	-1.89	14.14	7.38	-2.93
PARTICIPATION RATE (PERCENT).....	63.5	62.7	63.1	62.9	62.9	62.2	62.3	62.4	62.3	61.6	61.8	62.0	63.2	62.9	62.3
% Chg Same Qtr Last Yr.....	0.85	0.26	0.02	-1.29	-0.97	-0.78	-1.30	-0.70	-0.85	-0.95	-0.71	-0.76	-0.28	-0.50	-0.91
UNEMPLOYMENT RATE (PERCENT).....	4.9	5.7	5.4	5.6	5.4	5.8	5.1	5.3	5.2	6.3	5.9	5.3	5.2	5.5	5.4

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted

December 2005

	Historical Data												Annual		
	2002.4	2003.1	2003.2	2003.3	2003.4	2004.1	2004.2	2004.3	2004.4	2005.1	2005.2	2005.3	2002	2003	2004
CIVILIAN LABOR FORCE (THOUS).....	2904	2904	2906	2897	2904	2921	2911	2897	2902	2914	2898	2887	2883	2903	2908
% Chg Prev Qtr SAAR.....	1.24	0.08	0.31	-1.27	1.01	2.33	-1.33	-1.99	0.68	1.63	-2.17	-1.48	0.83	0.68	0.17
% Chg Same Qtr Last Yr.....	1.90	1.51	1.11	0.08	0.03	0.59	0.17	-0.01	-0.09	-0.26	-0.48	-0.35	0.83	0.68	0.17
EMPLOYED PERSONS (THOUS).....	2749	2746	2745	2735	2743	2763	2755	2742	2747	2742	2724	2734	2734	2742	2752
% Chg Prev Qtr SAAR.....	0.81	-0.48	-0.09	-1.48	1.24	2.89	-1.07	-1.96	0.71	-0.74	-2.62	1.60	0.19	0.31	0.35
% Chg Same Qtr Last Yr.....	1.47	1.09	0.69	-0.31	-0.21	0.63	0.38	0.26	0.12	-0.77	-1.16	-0.27	0.19	0.31	0.35
UNEMPLOYED PERSONS (THOUS).....	155	158	161	162	161	158	156	155	155	172	174	152	150	161	156
% Chg Prev Qtr SAAR.....	9.28	10.46	7.34	2.29	-2.87	-6.71	-5.74	-2.55	0.19	51.04	5.18	-41.19	14.14	7.38	-2.93
% Chg Same Qtr Last Yr.....	10.22	9.41	8.83	7.30	4.18	-0.13	-3.32	-4.49	-3.74	8.58	11.60	-1.64	14.14	7.38	-2.93
PARTICIPATION RATE (PERCENT).....	63.4	63.2	63.1	62.7	62.6	62.8	62.4	62.0	62.1	62.3	61.9	61.5	63.2	62.9	62.3
% Chg Prev Qtr SAAR.....	0.06	-1.08	-0.85	-2.51	-0.26	1.06	-2.55	-2.32	0.34	1.29	-2.50	-2.52	-0.28	-0.50	-0.91
% Chg Same Qtr Last Yr.....	0.77	0.36	-0.07	-1.10	-1.18	-0.65	-1.08	-1.03	-0.88	-0.82	-0.81	-0.86	-0.28	-0.50	-0.91
UNEMPLOYMENT RATE (PERCENT).....	5.3	5.5	5.6	5.6	5.5	5.4	5.4	5.3	5.3	5.9	6.0	5.3	5.2	5.5	5.4

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2007
TOTAL TAXABLE SALES.....	19142	16515	18404	18749	19761	17437	18838	18869	20007	17941	19540	19641	72219	73430	75150
% Chg Same Qtr Last Yr.....	-1.25	-2.36	-0.32	5.93	3.23	5.58	2.35	0.64	1.24	2.89	3.73	4.09	-0.98	1.68	2.34
AUTO DEALERS.....	2047	2055	2343	2485	2066	2134	2205	2364	2012	2110	2226	2325	8531	8949	8715
% Chg Same Qtr Last Yr.....	-8.13	0.62	7.71	9.68	0.92	3.85	-5.90	-4.89	-2.60	-1.14	0.94	-1.64	1.08	4.91	-2.62
PURCHASES FROM MANUFACTURERS.....	922	825	926	952	1029	882	933	998	1025	972	1092	1094	3531	3732	3837
% Chg Same Qtr Last Yr.....	-4.06	4.99	-2.82	9.39	11.70	6.86	0.70	4.82	-0.41	10.23	17.13	9.65	-8.74	5.72	2.81
MISC DURABLE GOODS.....	3086	2633	3137	3221	3242	2972	3393	3350	3386	3170	3615	3666	11853	12233	13100
% Chg Same Qtr Last Yr.....	0.17	-3.30	-0.08	10.88	5.06	12.86	8.16	4.00	4.42	6.68	6.56	9.43	-2.06	3.20	7.09
EATING AND DRINKING PLACES.....	1558	1522	1667	1701	1652	1642	1737	1770	1727	1700	1847	1807	6333	6542	6874
% Chg Same Qtr Last Yr.....	-1.89	-0.34	0.67	6.86	6.01	7.85	4.17	4.02	4.54	3.55	6.34	2.13	0.34	3.30	5.08
FOOD STORES.....	1815	1600	1676	1688	1797	1570	1655	1661	1779	1590	1647	1678	7341	6761	6665
% Chg Same Qtr Last Yr.....	-13.91	-12.43	-12.11	-5.83	-0.98	-1.89	-1.25	-1.57	-1.02	1.30	-0.47	0.99	-7.35	-7.90	-1.42
LIQUOR STORES.....	118	91	99	95	126	96	99	100	128	99	106	104	394	411	423
% Chg Same Qtr Last Yr.....	-0.22	-0.33	4.26	6.77	6.20	5.04	0.13	5.27	1.98	2.52	7.04	4.54	1.27	4.34	2.98
HOTELS AND MOTELS.....	438	354	455	475	439	353	457	483	444	369	491	507	1716	1724	1738
% Chg Same Qtr Last Yr.....	0.95	2.79	-1.46	0.86	0.24	-0.46	0.43	1.69	1.22	4.51	7.36	4.89	-1.69	0.46	0.80
OTHER RETAIL AND SERVICE.....	6003	4789	5187	5236	6218	5003	5336	5270	6221	5176	5529	5401	20959	21430	21830
% Chg Same Qtr Last Yr.....	-0.25	-0.91	-0.54	6.69	3.58	4.47	2.88	0.64	0.05	3.45	3.61	2.48	0.07	2.25	1.87
MISC NONDURABLE GOODS.....	1769	1332	1412	1442	1760	1389	1447	1444	1770	1452	1495	1509	6042	5945	6051
% Chg Same Qtr Last Yr.....	1.60	-4.20	-3.52	1.57	-0.51	4.35	2.53	0.15	0.57	4.49	3.29	4.44	-2.01	-1.60	1.78
TRANSPORTATION, COMMUNICATION.....	1386	1314	1502	1454	1433	1397	1575	1430	1515	1304	1492	1551	5519	5702	5917
% Chg Same Qtr Last Yr.....	25.17	-2.61	7.46	4.86	3.33	6.31	4.87	-1.65	5.77	-6.62	-5.27	8.48	9.45	3.31	3.77
PER CAPITA (\$).	3290	2832	3149	3200	3365	2962	3192	3189	3372	3016	3276	3285	12452	12545	12715
% Chg Same Qtr Last Yr.....	-2.08	-3.21	-1.23	4.96	2.28	4.59	1.39	-0.35	0.22	1.81	2.61	3.02	-1.78	0.75	1.36

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Historical Data												Annual		
	2002.4	2003.1	2003.2	2003.3	2003.4	2004.1	2004.2	2004.3	2004.4	2005.1	2005.2	2005.3	2002	2003	2004
TOTAL TAXABLE SALES.....	18118	17809	18209	18658	18687	18795	18655	18775	18917	19342	19371	19526	72250	73363	75141
% Chg Prev Qtr SAAR.....	12.09	-6.65	9.29	10.24	0.63	2.32	-2.94	2.60	3.05	9.29	0.60	3.25	-1.03	1.54	2.42
% Chg Same Qtr Last Yr.....	-1.38	-2.48	-0.29	5.96	3.14	5.53	2.45	0.63	1.23	2.91	3.84	4.00	-1.03	1.54	2.42
AUTO DEALERS.....	2222	2108	2286	2304	2234	2199	2153	2186	2173	2180	2173	2147	8531	8932	8712
% Chg Prev Qtr SAAR.....	23.51	-18.90	38.13	3.35	-11.74	-5.99	-8.16	6.33	-2.42	1.22	-1.14	-4.74	0.73	4.70	-2.46
% Chg Same Qtr Last Yr.....	-8.57	1.07	8.03	9.35	0.54	4.32	-5.80	-5.13	-2.71	-0.90	0.94	-1.79	0.73	4.70	-2.46
PURCHASES FROM MANUFACTURERS.....	882	900	906	939	983	957	919	984	977	1052	1080	1077	3528	3728	3836
% Chg Prev Qtr SAAR.....	11.45	8.55	2.76	14.99	20.33	-10.20	-15.09	31.64	-2.89	34.76	11.02	-1.16	-8.98	5.68	2.89
% Chg Same Qtr Last Yr.....	-4.52	4.31	-1.95	9.34	11.46	6.30	1.34	4.83	-0.64	9.98	17.60	9.47	-8.98	5.68	2.89
MISC DURABLE GOODS.....	3016	2879	2994	3176	3164	3250	3250	3292	3303	3467	3472	3588	11851	12213	13095
% Chg Prev Qtr SAAR.....	22.22	-17.05	17.05	26.63	-1.49	11.30	-0.04	5.27	1.42	21.42	0.57	13.98	-2.11	3.05	7.22
% Chg Same Qtr Last Yr.....	-0.07	-3.39	0.24	10.72	4.90	12.91	8.54	3.64	4.40	6.69	6.85	9.00	-2.11	3.05	7.22
EATING AND DRINKING PLACES.....	1580	1590	1619	1658	1674	1714	1687	1726	1749	1774	1794	1762	6335	6541	6875
% Chg Prev Qtr SAAR.....	8.20	2.53	7.57	9.81	4.01	9.85	-6.13	9.49	5.65	5.67	4.74	-6.95	0.33	3.25	5.12
% Chg Same Qtr Last Yr.....	-1.96	-0.48	0.71	6.99	5.94	7.78	4.18	4.10	4.51	3.50	6.37	2.13	0.33	3.25	5.12
FOOD STORES.....	1697	1706	1684	1691	1683	1673	1663	1664	1667	1694	1655	1679	7360	6763	6666
% Chg Prev Qtr SAAR.....	-20.54	2.05	-5.04	1.82	-2.05	-2.37	-2.26	0.12	0.73	6.81	-8.92	6.00	-7.17	-8.11	-1.44
% Chg Same Qtr Last Yr.....	-13.73	-12.52	-12.13	-5.90	-0.85	-1.94	-1.23	-1.65	-0.95	1.29	-0.48	0.95	-7.17	-8.11	-1.44
LIQUOR STORES.....	98	99	103	103	104	105	103	109	106	107	111	113	394	410	423
% Chg Prev Qtr SAAR.....	4.47	5.76	15.70	0.85	3.85	0.47	-4.44	22.40	-7.86	2.85	13.24	10.61	1.33	4.16	3.05
% Chg Same Qtr Last Yr.....	0.05	-0.39	4.18	6.56	6.40	5.04	0.14	5.11	2.01	2.61	7.06	4.38	1.33	4.16	3.05
HOTELS AND MOTELS.....	432	435	427	430	433	432	429	438	438	451	461	459	1716	1725	1737
% Chg Prev Qtr SAAR.....	5.30	2.97	-6.78	3.05	2.20	-0.77	-2.43	8.09	0.58	11.83	9.59	-1.91	-1.90	0.57	0.70
% Chg Same Qtr Last Yr.....	0.94	2.49	-1.48	1.03	0.27	-0.65	0.49	1.69	1.29	4.36	7.44	4.86	-1.90	0.57	0.70
OTHER RETAIL AND SERVICE.....	5261	5239	5295	5426	5456	5459	5451	5463	5460	5641	5651	5596	20972	21416	21833
% Chg Prev Qtr SAAR.....	14.93	-1.62	4.36	10.24	2.21	0.22	-0.57	0.89	-0.21	13.95	0.72	-3.87	0.05	2.12	1.95
% Chg Same Qtr Last Yr.....	-0.05	-1.33	-0.49	6.80	3.71	4.19	2.94	0.68	0.08	3.34	3.68	2.43	0.05	2.12	1.95
MISC NONDURABLE GOODS.....	1529	1450	1463	1504	1520	1510	1504	1506	1527	1577	1556	1571	6039	5937	6047
% Chg Prev Qtr SAAR.....	13.86	-19.18	3.65	11.68	4.40	-2.75	-1.37	0.34	5.80	13.77	-5.15	3.79	-2.29	-1.70	1.85
% Chg Same Qtr Last Yr.....	1.44	-4.55	-3.18	1.59	-0.59	4.12	2.84	0.12	0.45	4.47	3.45	4.33	-2.29	-1.70	1.85
TRANSPORTATION, COMMUNICATION.....	1402	1403	1431	1426	1437	1497	1496	1409	1516	1398	1416	1533	5524	5697	5918
% Chg Prev Qtr SAAR.....	18.67	0.35	8.26	-1.39	3.05	17.84	-0.39	-21.22	33.97	-27.67	5.16	37.57	9.86	3.13	3.87
% Chg Same Qtr Last Yr.....	24.71	-2.14	6.34	6.19	2.50	6.71	4.51	-1.20	5.50	-6.62	-5.34	8.81	9.86	3.13	3.87
PER CAPITA (\$).....	3114	3054	3115	3184	3182	3193	3161	3173	3188	3251	3247	3266	12458	12535	12715
% Chg Prev Qtr SAAR.....	11.08	-7.50	8.30	9.19	-0.32	1.35	-3.85	1.49	1.94	8.11	-0.48	2.34	-1.83	0.62	1.44
% Chg Same Qtr Last Yr.....	-2.20	-3.33	-1.19	4.99	2.19	4.55	1.48	-0.36	0.20	1.84	2.72	2.93	-1.83	0.62	1.44

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2007
TOTAL TAXABLE SALES.....	19959	17349	19365	19824	20962	18672	20361	20470	21873	19723	21657	21962	74793	77500	81376
% Chg Same Qtr Last Yr.....	0.51	-0.09	1.44	7.86	5.02	7.62	5.15	3.26	4.35	5.63	6.36	7.29	0.43	3.62	5.00
AUTO DEALERS.....	2134	2159	2466	2628	2191	2285	2384	2564	2200	2320	2467	2600	8834	9444	9433
% Chg Same Qtr Last Yr.....	-6.49	2.95	9.63	11.68	2.67	5.86	-3.33	-2.41	0.39	1.49	3.50	1.38	2.50	6.91	-0.11
PURCHASES FROM MANUFACTURERS.....	961	867	974	1006	1092	944	1008	1082	1121	1068	1211	1223	3657	3940	4155
% Chg Same Qtr Last Yr.....	-2.35	7.43	-1.10	11.38	13.63	8.93	3.45	7.55	2.64	13.17	20.11	13.02	-7.42	7.74	5.48
MISC DURABLE GOODS.....	3218	2766	3300	3406	3439	3182	3667	3634	3701	3485	4007	4099	12276	12911	14185
% Chg Same Qtr Last Yr.....	1.96	-1.06	1.69	12.90	6.88	15.05	11.11	6.71	7.62	9.52	9.26	12.79	-0.67	5.18	9.86
EATING AND DRINKING PLACES.....	1624	1599	1754	1799	1752	1758	1877	1920	1888	1869	2047	2021	6558	6904	7442
% Chg Same Qtr Last Yr.....	-0.13	1.97	2.45	8.81	7.85	9.94	7.01	6.72	7.75	6.30	9.03	5.27	1.75	5.28	7.80
FOOD STORES.....	1892	1681	1764	1784	1906	1681	1789	1802	1945	1748	1826	1876	7601	7135	7217
% Chg Same Qtr Last Yr.....	-12.37	-10.40	-10.55	-4.11	0.74	0.01	1.45	0.99	2.01	3.99	2.05	4.09	-6.05	-6.13	1.15
LIQUOR STORES.....	123	96	104	100	133	103	107	108	140	108	117	117	408	434	458
% Chg Same Qtr Last Yr.....	1.57	1.98	6.11	8.71	8.04	7.07	2.86	8.01	5.11	5.25	9.75	7.75	2.73	6.33	5.67
HOTELS AND MOTELS.....	457	372	479	502	466	378	494	524	486	405	544	567	1778	1820	1882
% Chg Same Qtr Last Yr.....	2.75	5.17	0.28	2.70	1.98	1.47	3.17	4.34	4.32	7.30	10.08	8.11	-0.28	2.36	3.44
OTHER RETAIL AND SERVICE.....	6260	5031	5458	5537	6596	5357	5768	5717	6802	5690	6127	6039	21710	22621	23644
% Chg Same Qtr Last Yr.....	1.53	1.39	1.22	8.64	5.37	6.49	5.68	3.25	3.12	6.21	6.23	5.63	1.50	4.20	4.52
MISC NONDURABLE GOODS.....	1844	1399	1485	1525	1867	1488	1564	1567	1935	1596	1657	1687	6258	6276	6554
% Chg Same Qtr Last Yr.....	3.42	-1.98	-1.81	3.42	1.22	6.37	5.33	2.76	3.65	7.27	5.91	7.65	-0.59	0.27	4.44
TRANSPORTATION, COMMUNICATION.....	1446	1380	1581	1537	1520	1496	1703	1551	1657	1434	1654	1734	5715	6017	6406
% Chg Same Qtr Last Yr.....	27.41	-0.35	9.37	6.77	5.12	8.37	7.73	0.91	9.01	-4.13	-2.86	11.81	11.00	5.28	6.46
PER CAPITA (\$)......	3430	2975	3313	3383	3569	3172	3451	3459	3687	3315	3630	3673	12895	13240	13768
% Chg Same Qtr Last Yr.....	-0.33	-0.96	0.53	6.88	4.05	6.62	4.15	2.25	3.29	4.53	5.22	6.18	-0.38	2.68	3.99

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Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

December 2005

	Historical Data												Annual		
	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2002	2003	2004
TOTAL TAXABLE SALES.....	18891	18708	19159	19728	19823	20126	20164	20368	20681	21264	21469	21833	74806	77418	81339
% Chg Prev Qtr SAAR.....	13.95	-3.82	9.99	12.41	1.94	6.26	0.75	4.11	6.29	11.75	3.92	6.96	0.37	3.49	5.06
% Chg Same Qtr Last Yr.....	0.39	-0.22	1.48	7.89	4.93	7.58	5.24	3.25	4.33	5.65	6.47	7.19	0.37	3.49	5.06
AUTO DEALERS.....	2316	2215	2405	2437	2369	2355	2327	2372	2376	2396	2409	2401	8834	9426	9430
% Chg Prev Qtr SAAR.....	25.55	-16.44	39.02	5.38	-10.59	-2.37	-4.67	7.89	0.65	3.49	2.13	-1.31	2.15	6.70	0.05
% Chg Same Qtr Last Yr.....	-6.94	3.41	9.95	11.35	2.29	6.34	-3.23	-2.66	0.27	1.74	3.50	1.22	2.15	6.70	0.05
PURCHASES FROM MANUFACTURERS....	920	946	954	992	1043	1025	993	1067	1068	1157	1197	1204	3653	3934	4153
% Chg Prev Qtr SAAR.....	13.29	11.85	3.42	17.25	21.89	-6.74	-11.86	33.57	0.16	37.80	14.69	2.39	-7.68	7.71	5.55
% Chg Same Qtr Last Yr.....	-2.81	6.73	-0.21	11.34	13.39	8.35	4.11	7.56	2.41	12.91	20.59	12.83	-7.68	7.71	5.55
MISC DURABLE GOODS.....	3145	3024	3150	3358	3356	3480	3513	3571	3611	3812	3849	4012	12271	12889	14175
% Chg Prev Qtr SAAR.....	24.24	-14.53	17.80	29.12	-0.21	15.59	3.76	6.82	4.60	24.15	3.89	18.07	-0.72	5.04	9.98
% Chg Same Qtr Last Yr.....	1.72	-1.15	2.02	12.73	6.72	15.09	11.50	6.33	7.59	9.53	9.57	12.34	-0.72	5.04	9.98
EATING AND DRINKING PLACES.....	1647	1670	1704	1753	1776	1835	1823	1872	1913	1950	1989	1971	6559	6902	7443
% Chg Prev Qtr SAAR.....	9.99	5.65	8.27	11.97	5.36	14.09	-2.55	11.10	8.97	8.05	8.20	-3.60	1.75	5.24	7.83
% Chg Same Qtr Last Yr.....	-0.21	1.83	2.49	8.94	7.78	9.87	7.02	6.81	7.71	6.26	9.07	5.27	1.75	5.24	7.83
FOOD STORES.....	1769	1792	1772	1788	1785	1791	1798	1805	1822	1863	1834	1878	7619	7137	7215
% Chg Prev Qtr SAAR.....	-19.23	5.15	-4.43	3.83	-0.78	1.40	1.46	1.59	3.89	9.22	-5.92	9.81	-5.87	-6.33	1.10
% Chg Same Qtr Last Yr.....	-12.19	-10.49	-10.57	-4.19	0.87	-0.04	1.46	0.91	2.08	3.99	2.05	4.05	-5.87	-6.33	1.10
LIQUOR STORES.....	102	105	109	109	111	112	112	118	116	118	123	127	408	433	458
% Chg Prev Qtr SAAR.....	6.20	8.97	16.45	2.83	5.20	4.35	-0.81	24.20	-4.97	5.17	16.97	14.58	2.76	6.16	5.72
% Chg Same Qtr Last Yr.....	1.84	1.92	6.02	8.50	8.24	7.07	2.87	7.84	5.13	5.34	9.77	7.58	2.76	6.16	5.72
HOTELS AND MOTELS.....	450	457	450	455	459	463	464	475	479	496	511	513	1776	1821	1881
% Chg Prev Qtr SAAR.....	7.04	6.10	-6.17	5.08	3.53	3.05	1.28	9.68	3.74	14.34	13.21	1.61	-0.50	2.48	3.31
% Chg Same Qtr Last Yr.....	2.74	4.87	0.27	2.87	2.01	1.27	3.23	4.34	4.39	7.14	10.16	8.08	-0.50	2.48	3.31
OTHER RETAIL AND SERVICE.....	5485	5504	5572	5737	5787	5845	5892	5926	5969	6202	6264	6257	21714	22599	23633
% Chg Prev Qtr SAAR.....	16.83	1.37	5.03	12.41	3.54	4.09	3.22	2.37	2.92	16.52	4.05	-0.42	1.47	4.08	4.57
% Chg Same Qtr Last Yr.....	1.73	0.95	1.28	8.74	5.51	6.21	5.75	3.30	3.15	6.10	6.31	5.58	1.47	4.08	4.57
MISC NONDURABLE GOODS.....	1594	1523	1539	1590	1613	1617	1626	1633	1669	1734	1725	1757	6253	6265	6546
% Chg Prev Qtr SAAR.....	15.75	-16.73	4.32	13.88	5.76	1.00	2.39	1.81	9.12	16.33	-2.02	7.52	-0.89	0.19	4.48
% Chg Same Qtr Last Yr.....	3.25	-2.34	-1.46	3.44	1.14	6.14	5.64	2.72	3.53	7.25	6.08	7.53	-0.89	0.19	4.48
TRANSPORTATION, COMMUNICATION.....	1462	1474	1506	1508	1524	1603	1617	1529	1657	1537	1569	1714	5720	6012	6406
% Chg Prev Qtr SAAR.....	20.64	3.40	8.96	0.55	4.39	22.39	3.40	-20.06	38.18	-26.05	8.63	42.51	11.41	5.11	6.55
% Chg Same Qtr Last Yr.....	26.94	0.13	8.23	8.12	4.28	8.77	7.36	1.37	8.73	-4.13	-2.94	12.15	11.41	5.11	6.55
PER CAPITA (\$).....	3247	3208	3278	3367	3375	3419	3417	3442	3486	3574	3599	3652	12899	13228	13764
% Chg Prev Qtr SAAR.....	12.92	-4.69	9.00	11.34	0.98	5.26	-0.19	2.98	5.14	10.55	2.81	6.02	-0.44	2.55	4.05
% Chg Same Qtr Last Yr.....	-0.45	-1.09	0.56	6.91	3.96	6.57	4.25	2.24	3.27	4.55	5.32	6.09	-0.44	2.55	4.05

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
US GDP (Bil2000\$) SAAR.....	7532.7	7835.5	8031.7	8328.9	8703.5	9066.9	9470.4	9817.0	9890.7	10048.9	10320.6	10755.7
Percentage change.....	2.67	4.02	2.50	3.70	4.50	4.18	4.45	3.66	0.75	1.60	2.70	4.22
US GDP (Bil\$) SAAR.....	6657.4	7072.2	7397.7	7816.8	8304.3	8747.0	9268.4	9817.0	10128.0	10469.6	10971.3	11734.3
Percentage change.....	5.04	6.23	4.60	5.67	6.24	5.33	5.96	5.92	3.17	3.37	4.79	6.95
CHAINED PRICE INDEX, GDP (2000=100.0).....	88.4	90.3	92.1	93.9	95.4	96.5	97.9	100.0	102.4	104.2	106.3	109.1
Percentage change.....	2.30	2.12	2.05	1.89	1.66	1.11	1.44	2.18	2.40	1.75	2.03	2.63
US PERS CONSUMP DEFL (2000=100.0).....	87.8	89.7	91.6	93.5	95.1	96.0	97.6	100.0	102.1	103.5	105.5	108.2
Percentage change.....	2.31	2.11	2.15	2.15	1.69	0.90	1.66	2.49	2.09	1.42	1.91	2.58
TN PERSONAL INCOME (MIL2000\$) SAAR.....	112827	118046	123165	126532	131086	139212	143875	148830	151248	153660	157382	162472
Percentage change.....	3.24	4.63	4.34	2.73	3.60	6.20	3.35	3.44	1.62	1.59	2.42	3.23
US PERSONAL INCOME (BIL2000\$) SAAR.....	6330	6516	6718	6970	7269	7734	7996	8429	8545	8578	8689	8973
Percentage change.....	1.33	2.94	3.10	3.75	4.29	6.39	3.39	5.42	1.37	0.39	1.29	3.26
TN PERSONAL INCOME (MIL\$) SAAR.....	99074	105846	112794	118374	124699	133620	140395	148834	154416	159102	166076	175885
Percentage change.....	5.62	6.84	6.56	4.95	5.34	7.15	5.07	6.01	3.75	3.03	4.38	5.91
US PERSONAL INCOME (BIL\$) SAAR.....	5559	5843	6152	6521	6915	7423	7802	8430	8724	8882	9169	9713
Percentage change.....	3.67	5.11	5.30	5.99	6.05	7.34	5.11	8.04	3.49	1.81	3.23	5.93
TN NONFARM JOBS (THOUS).....	2328.4	2422.8	2498.8	2533.3	2584.0	2638.5	2685.4	2729.0	2688.6	2664.5	2662.8	2701.0
Percentage change.....	3.72	4.05	3.14	1.38	2.00	2.11	1.78	1.62	-1.48	-0.89	-0.07	1.44
US NONFARM JOBS (MIL).....	110.8	114.3	117.3	119.7	122.8	125.9	129.0	131.8	131.8	130.3	130.0	131.5
Percentage change.....	1.95	3.10	2.65	2.04	2.56	2.57	2.44	2.17	0.03	-1.13	-0.27	1.14
TN UNEMPLOYMENT RATE (%).....	6.0	5.1	5.3	5.3	5.3	4.5	4.1	4.0	4.6	5.2	5.5	5.4
US UNEMPLOYMENT RATE (%).....	6.9	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.5
BANK PRIME INTEREST RATE (%).....	6.0	7.1	8.8	8.3	8.4	8.4	8.0	9.2	6.9	4.7	4.1	4.3
TN MFG JOBS (THOUS).....	502.9	513.9	518.1	501.5	498.0	498.6	494.7	488.0	454.2	428.5	413.2	411.5
Percentage change.....	2.03	2.19	0.81	-3.19	-0.70	0.12	-0.78	-1.35	-6.93	-5.66	-3.56	-0.41
US MFG JOBS (MIL).....	16.8	17.0	17.2	17.2	17.4	17.6	17.3	17.3	16.4	15.3	14.5	14.3
Percentage change.....	-0.14	1.48	1.29	-0.05	1.05	0.82	-1.35	-0.33	-4.77	-7.20	-4.91	-1.24
TN TAXABLE SALES (MIL2000\$).....	55828	59879	63243	64843	69411	69028	74122	74661	73002	72250	73363	75141
Percentage change.....	5.37	7.26	5.62	2.53	7.05	-0.55	7.38	0.73	-2.22	-1.03	1.54	2.42
TN TAXABLE SALES (MIL\$).....	49025	53693	57917	60662	66030	66259	72328	74655	74530	74806	77418	81339
Percentage change.....	7.81	9.52	7.87	4.74	8.85	0.35	9.16	3.22	-0.17	0.37	3.49	5.06
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	-	-	-	-	-	-	-	-	31326	31922	32348	32908
Percentage change.....	-	-	-	-	-	-	-	-	-	1.90	1.34	1.73
TN AVG ANNUAL WAGE, NONFARM (\$).....	-	-	-	-	-	-	-	-	31983	33052	34135	35624
Percentage change.....	-	-	-	-	-	-	-	-	-	3.34	3.28	4.36

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
US GDP (2000\$) SAAR.....	28895	29696	30084	30835	31838	32785	33855	34714	34616	34819	35419	36572
Percentage change.....	1.36	2.77	1.30	2.50	3.25	2.98	3.26	2.54	-0.28	0.59	1.72	3.25
US GDP (\$) SAAR.....	25538	26804	27709	28939	30378	31629	33133	34714	35447	36277	37652	39899
Percentage change.....	3.70	4.96	3.38	4.44	4.97	4.12	4.76	4.77	2.11	2.34	3.79	5.97
TN PERSONAL INCOME (2000\$) SAAR.....	22141	22819	23461	23778	24344	25595	26069	26168	26292	26496	26892	27492
Percentage change.....	1.77	3.06	2.81	1.35	2.38	5.14	1.85	0.38	0.47	0.78	1.49	2.23
US PERSONAL INCOME (2000\$) SAAR.....	24283	24696	25163	25804	26592	27965	28584	29807	29908	29723	29820	30509
Percentage change.....	0.03	1.70	1.89	2.55	3.05	5.16	2.22	4.28	0.34	-0.62	0.32	2.31
TN PERSONAL INCOME (\$) SAAR.....	19441	20460	21485	22245	23158	24567	25437	26168	26842	27434	28377	29761
Percentage change.....	4.11	5.24	5.01	3.54	4.11	6.08	3.54	2.87	2.58	2.20	3.44	4.88
US PERSONAL INCOME (\$) SAAR.....	21323	22143	23044	24140	25296	26841	27893	29808	30534	30776	31467	33027
Percentage change.....	2.34	3.85	4.07	4.76	4.79	6.11	3.92	6.87	2.43	0.79	2.25	4.96
TN TAXABLE SALES (2000\$).....	10955	11575	12047	12186	12890	12690	13431	13129	12690	12458	12535	12715
Percentage change.....	3.86	5.65	4.08	1.15	5.78	-1.55	5.83	-2.25	-3.34	-1.83	0.62	1.44
TN TAXABLE SALES (\$).....	9620	10379	11032	11400	12262	12181	13105	13127	12956	12899	13228	13764
Percentage change.....	6.27	7.89	6.30	3.33	7.57	-0.66	7.58	0.17	-1.31	-0.44	2.55	4.05

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL PERSONAL INCOME.....	112827	118046	123165	126532	131086	139212	143875	148830	151248	153660	157382	162472
Percentage change.....	3.24	4.63	4.34	2.73	3.60	6.20	3.35	3.44	1.62	1.59	2.42	3.23
WAGES AND SALARIES.....	—	—	—	—	—	—	—	—	84841	85755	86941	89701
Percentage change.....	—	—	—	—	—	—	—	—	—	1.08	1.38	3.17
OTHER LABOR INCOME.....	—	—	—	—	—	—	—	—	17131	19304	20954	21674
Percentage change.....	—	—	—	—	—	—	—	—	—	12.68	8.55	3.43
PROPRIETORS INCOME.....	—	—	—	—	—	—	—	—	16778	16986	18100	19273
Percentage change.....	—	—	—	—	—	—	—	—	—	1.24	6.56	6.48
RENT, INTEREST, DIVIDENDS.....	—	—	—	—	—	—	—	—	22151	20226	19163	18988
Percentage change.....	—	—	—	—	—	—	—	—	—	-8.69	-5.26	-0.91
TRANSFER PAYMENTS.....	—	—	—	—	—	—	—	—	24633	26019	27074	28090
Percentage change.....	—	—	—	—	—	—	—	—	—	5.63	4.06	3.75
LESS: PERS CONT FOR SOC INS.....	—	—	—	—	—	—	—	—	12800	13172	13487	13862
Percentage change.....	—	—	—	—	—	—	—	—	—	2.90	2.39	2.78
RESIDENCE ADJUSTMENT.....	—	—	—	—	—	—	—	—	-1486	-1459	-1365	-1392
Percentage change.....	—	—	—	—	—	—	—	—	—	-1.79	-6.47	1.97
PER CAPITA PERSONAL INCOME (\$).....	22141	22819	23461	23778	24344	25595	26069	26168	26292	26496	26892	27492
Percentage change.....	1.77	3.06	2.81	1.35	2.38	5.14	1.85	0.38	0.47	0.78	1.49	2.23

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL PERSONAL INCOME.....	99074	105846	112794	118374	124699	133620	140395	148834	154416	159102	166076	175885
Percentage change.....	5.62	6.84	6.56	4.95	5.34	7.15	5.07	6.01	3.75	3.03	4.38	5.91
WAGES AND SALARIES.....	56319	60375	64461	67443	71938	76761	81104	85279	86617	88791	91744	97109
Percentage change.....	5.72	7.20	6.77	4.63	6.67	6.70	5.66	5.15	1.57	2.51	3.33	5.85
OTHER LABOR INCOME.....	12655	13839	14048	13917	14092	14916	15856	16734	17491	19991	22113	23463
Percentage change.....	7.81	9.36	1.50	-0.93	1.26	5.84	6.31	5.54	4.52	14.29	10.61	6.11
PROPRIETORS INCOME.....	8980	9544	10310	11289	11886	13279	14535	15202	17130	17589	19101	20864
Percentage change.....	10.06	6.28	8.02	9.50	5.29	11.72	9.46	4.59	12.68	2.68	8.60	9.23
RENT, INTEREST, DIVIDENDS.....	14785	15882	17027	18221	19343	21026	21138	22659	22614	20939	20220	20555
Percentage change.....	1.34	7.42	7.21	7.01	6.16	8.70	0.53	7.19	-0.20	-7.41	-3.43	1.66
TRANSFER PAYMENTS.....	15463	16212	17665	18551	19317	20316	21252	23065	25150	26942	28570	30408
Percentage change.....	7.13	4.84	8.96	5.02	4.13	5.17	4.61	8.53	9.04	7.12	6.04	6.43
LESS: PERS CONT FOR SOC INS...	8566	9339	9959	10314	10941	11590	12204	12650	13069	13638	14232	15006
Percentage change.....	7.70	9.03	6.63	3.57	6.08	5.93	5.30	3.65	3.31	4.36	4.35	5.44
RESIDENCE ADJUSTMENT.....	-563	-666	-757	-733	-936	-1088	-1285	-1456	-1517	-1511	-1441	-1507
Percentage change.....	30.28	18.44	13.66	-3.27	27.71	16.33	18.06	13.33	4.21	-0.40	-4.68	4.62
PER CAPITA PERSONAL INCOME (\$)...	19441	20460	21485	22245	23158	24567	25437	26168	26842	27434	28377	29761
Percentage change.....	4.11	5.24	5.01	3.54	4.11	6.08	3.54	2.87	2.58	2.20	3.44	4.88

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Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL NONFARM.....	2328.4	2422.8	2498.8	2533.3	2584.0	2638.5	2685.4	2729.0	2688.6	2664.5	2662.8	2701.0
Percentage change.....	3.72	4.05	3.14	1.38	2.00	2.11	1.78	1.62	-1.48	-0.89	-0.07	1.44
NATURAL RESOURCES & MINING.....	5.1	5.0	5.2	5.4	5.3	5.3	5.1	5.1	4.9	4.5	4.2	4.1
Percentage change.....	-2.66	-0.58	4.01	2.37	-1.55	-0.15	-2.67	0.19	-4.23	-7.80	-7.15	-2.97
CONSTRUCTION.....	95.7	101.9	109.7	113.8	118.1	121.4	123.1	125.7	120.4	115.0	115.4	117.4
Percentage change.....	5.71	6.51	7.66	3.72	3.81	2.79	1.40	2.08	-4.26	-4.49	0.38	1.73
MANUFACTURING.....	502.9	513.9	518.1	501.5	498.0	498.6	494.7	488.0	454.2	428.5	413.2	411.5
Percentage change.....	2.03	2.19	0.81	-3.19	-0.70	0.12	-0.78	-1.35	-6.93	-5.66	-3.56	-0.41
DURABLE GOODS.....	271.8	284.0	291.6	290.5	292.0	297.0	301.3	300.6	277.1	259.0	250.9	253.4
Percentage change.....	4.35	4.50	2.67	-0.38	0.54	1.69	1.47	-0.24	-7.81	-6.54	-3.15	1.01
NONDURABLE GOODS.....	231.1	229.9	226.5	211.1	206.0	201.6	193.4	187.4	177.0	169.4	162.3	158.1
Percentage change.....	-0.57	-0.53	-1.48	-6.80	-2.41	-2.10	-4.10	-3.08	-5.53	-4.29	-4.20	-2.61
TRADE, TRANSPORTATION, UTILITIES.....	493.5	515.2	529.5	540.8	551.9	564.2	578.2	586.2	590.3	576.8	578.7	586.5
Percentage change.....	2.77	4.40	2.77	2.14	2.05	2.22	2.48	1.38	0.69	-2.29	0.33	1.35
WHOLESALE TRADE.....	114.5	118.9	122.6	123.9	128.1	130.7	131.8	131.2	127.5	126.5	126.5	127.5
Percentage change.....	1.29	3.87	3.09	1.10	3.33	2.08	0.81	-0.47	-2.79	-0.79	0.03	0.72
RETAIL TRADE.....	268.0	279.5	289.9	297.0	302.3	306.4	311.8	316.3	319.3	312.2	313.2	319.7
Percentage change.....	2.63	4.28	3.75	2.43	1.80	1.35	1.77	1.45	0.92	-2.21	0.31	2.09
TRANSPORTATION & UTILITIES.....	111.0	116.9	117.0	119.9	121.5	127.1	134.6	138.7	143.5	138.1	139.0	139.3
Percentage change.....	4.66	5.26	0.10	2.50	1.36	4.55	5.92	3.05	3.47	-3.79	0.67	0.26
INFORMATION.....	44.6	45.7	45.7	48.2	49.2	51.2	52.9	54.7	55.4	53.3	51.2	49.4
Percentage change.....	3.71	2.53	0.07	5.45	2.16	3.93	3.27	3.58	1.26	-3.79	-4.06	-3.52
FINANCIAL ACTIVITIES.....	115.1	119.1	122.6	127.7	131.5	136.6	140.4	139.3	138.5	138.1	139.8	141.7
Percentage change.....	3.08	3.50	2.96	4.12	2.96	3.89	2.79	-0.82	-0.56	-0.23	1.21	1.38
PROF & BUSINESS SERVICES.....	199.2	219.4	232.6	242.5	256.7	268.2	287.5	301.1	299.2	296.5	287.5	301.3
Percentage change.....	8.62	10.13	6.00	4.26	5.87	4.47	7.19	4.73	-0.63	-0.89	-3.04	4.80
EDUC & HEALTH SERVICES.....	239.6	247.2	256.9	260.2	267.2	272.6	272.5	278.9	285.8	300.1	312.8	319.6
Percentage change.....	4.48	3.19	3.95	1.27	2.67	2.05	-0.06	2.34	2.50	4.99	4.22	2.20
LEISURE & HOSPITALITY.....	196.3	206.8	214.9	218.4	219.9	223.4	226.6	233.4	235.5	239.8	246.7	253.3
Percentage change.....	6.31	5.37	3.93	1.59	0.72	1.56	1.44	2.99	0.93	1.80	2.88	2.70
OTHER SERVICES.....	74.6	77.9	90.3	93.1	105.7	111.3	114.2	117.6	101.2	101.7	102.2	102.2
Percentage change.....	10.84	4.33	15.96	3.13	13.53	5.33	2.54	2.99	-13.95	0.50	0.54	0.00
GOVERNMENT.....	361.9	370.6	373.1	381.6	380.3	385.6	390.2	399.0	403.2	410.3	411.1	414.0
Percentage change.....	1.43	2.40	0.67	2.29	-0.35	1.39	1.19	2.26	1.05	1.75	0.21	0.69
FEDERAL, CIVILIAN.....	55.7	55.3	54.4	54.1	51.8	50.9	51.2	53.6	51.5	51.8	51.2	50.6
Percentage change.....	-4.58	-0.77	-1.58	-0.48	-4.31	-1.84	0.75	4.68	-3.95	0.58	-1.11	-1.26
STATE & LOCAL.....	306.2	315.4	318.7	327.5	328.5	334.8	339.0	345.4	351.7	358.5	359.9	363.4
Percentage change.....	2.61	2.98	1.06	2.76	0.31	1.90	1.25	1.90	1.83	1.93	0.40	0.97

Table 6: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL DURABLE GOODS.....	271.8	284.0	291.6	290.5	292.0	297.0	301.3	300.6	277.1	259.0	250.9	253.4
Percentage change.....	4.35	4.50	2.67	-0.38	0.54	1.69	1.47	-0.24	-7.81	-6.54	-3.15	1.01
WOOD PRODUCTS.....	16.5	17.3	18.4	18.8	19.6	20.5	19.5	19.6	17.8	17.6	16.7	17.4
Percentage change.....	4.36	4.47	6.80	2.03	4.10	4.88	-4.96	0.45	-8.97	-1.58	-4.74	3.97
NONMETALLIC MINERAL PRODUCTS.....	15.0	15.7	15.8	15.6	15.4	15.4	15.9	16.2	15.7	15.1	15.6	15.7
Percentage change.....	8.20	4.79	0.38	-1.12	-0.92	0.10	3.06	1.74	-3.29	-3.41	2.93	0.96
PRIMARY METALS.....	14.7	15.4	15.7	16.1	16.5	17.0	17.6	17.3	15.3	12.6	11.8	12.2
Percentage change.....	-0.28	4.60	2.01	2.49	2.79	3.27	3.31	-1.66	-11.67	-17.39	-6.73	3.82
FABRICATED METAL PRODUCTS.....	46.4	46.8	45.9	45.9	45.7	45.3	45.6	45.0	43.2	41.4	41.4	41.7
Percentage change.....	1.73	0.81	-1.92	-0.10	-0.31	-0.95	0.69	-1.28	-4.02	-4.13	-0.04	0.83
MACHINERY.....	31.9	34.4	36.9	37.8	39.2	41.4	42.9	43.1	39.8	35.9	33.2	34.2
Percentage change.....	2.30	7.97	7.36	2.24	3.90	5.48	3.54	0.60	-7.57	-9.86	-7.53	3.04
COMPUTER & ELECTRONIC PRODUCTS...	14.9	14.9	15.8	15.9	15.5	15.3	15.5	16.5	15.3	12.9	11.7	11.2
Percentage change.....	-1.59	-0.01	5.93	0.64	-2.34	-1.66	1.64	6.46	-7.45	-15.65	-9.61	-4.10
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	26.3	28.4	29.2	29.1	29.3	29.8	29.8	28.9	26.3	25.0	23.6	23.0
Percentage change.....	3.75	8.15	2.90	-0.50	0.78	1.74	0.01	-3.15	-8.74	-4.94	-5.65	-2.45
TRANSPORTATION EQUIPMENT.....	57.3	61.4	64.2	62.6	63.5	65.4	67.8	67.8	62.3	60.0	60.2	61.7
Percentage change.....	8.93	7.15	4.68	-2.60	1.44	3.10	3.69	0.00	-8.14	-3.68	0.27	2.50
FURNITURE.....	30.0	30.6	29.9	29.1	27.5	27.4	27.6	27.3	23.6	21.3	19.9	19.7
Percentage change.....	5.98	2.19	-2.48	-2.76	-5.18	-0.53	0.74	-1.09	-13.43	-9.92	-6.58	-0.75
MISCELLANEOUS DURABLE GOODS.....	18.9	19.2	19.8	19.8	19.7	19.4	19.1	18.8	17.7	17.1	16.8	16.4
Percentage change.....	5.28	1.52	3.00	0.32	-0.51	-1.83	-1.54	-1.26	-6.02	-3.39	-1.75	-2.28

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **December 2005**

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL NONDURABLE GOODS.....	231.1	229.9	226.5	211.1	206.0	201.6	193.4	187.4	177.0	169.4	162.3	158.1
Percentage change.....	-0.57	-0.53	-1.48	-6.80	-2.41	-2.10	-4.10	-3.08	-5.53	-4.29	-4.20	-2.61
FOOD.....	33.3	33.2	32.6	31.3	31.7	33.2	34.1	34.4	35.8	36.0	35.9	35.1
Percentage change.....	1.23	-0.14	-1.97	-3.70	1.03	4.68	2.79	0.86	4.22	0.60	-0.43	-2.07
BEVERAGE & TOBACCO.....	5.7	5.9	6.0	6.0	6.1	6.5	6.6	6.7	6.5	6.4	6.1	5.9
Percentage change.....	5.87	2.17	2.55	0.38	1.92	6.21	1.14	1.39	-2.73	-2.03	-3.78	-3.39
TEXTILE MILLS.....	14.6	15.3	14.7	13.6	13.2	13.0	12.0	11.3	9.5	8.4	7.4	6.7
Percentage change.....	2.39	5.14	-3.90	-7.51	-3.05	-1.75	-7.64	-5.57	-16.38	-11.71	-11.34	-9.11
TEXTILE PRODUCT MILLS.....	4.7	4.7	4.6	4.5	4.8	4.9	4.3	4.1	4.1	3.7	3.7	3.9
Percentage change.....	1.09	1.62	-3.35	-1.28	6.62	1.71	-11.72	-6.16	0.63	-8.96	-1.34	7.48
APPAREL.....	55.5	51.2	48.7	39.7	35.1	29.5	23.4	18.8	15.1	12.4	10.2	9.2
Percentage change.....	-3.73	-7.74	-4.87	-18.45	-11.60	-16.01	-20.56	-19.58	-19.81	-17.84	-17.51	-10.51
PAPER.....	20.7	20.9	20.9	20.7	21.1	21.0	21.4	21.3	21.1	20.4	19.6	18.7
Percentage change.....	0.97	0.76	0.25	-1.04	1.79	-0.31	1.87	-0.64	-0.93	-3.29	-4.03	-4.42
PRINTING & RELATED SUPPORT.....	24.4	25.0	25.2	24.3	24.1	25.1	24.5	23.6	22.2	20.5	19.9	19.3
Percentage change.....	3.61	2.64	0.62	-3.47	-0.72	3.88	-2.22	-3.88	-5.62	-7.78	-3.17	-2.67
CHEMICALS.....	36.8	35.6	35.5	34.6	34.1	32.5	31.4	30.8	29.0	28.5	28.6	27.9
Percentage change.....	-0.68	-3.49	-0.14	-2.58	-1.52	-4.56	-3.30	-1.96	-5.78	-1.95	0.36	-2.47
PLASTICS & RUBBER.....	28.1	30.3	31.6	30.8	31.0	31.6	31.5	32.4	30.3	30.0	28.2	28.4
Percentage change.....	3.22	7.57	4.28	-2.38	0.54	1.81	-0.26	2.81	-6.32	-1.02	-6.14	0.83
MISCELLANEOUS NONDURABLE GOODS...	7.3	7.8	6.7	5.4	4.8	4.4	4.1	4.1	3.4	3.2	2.8	2.9
Percentage change.....	-21.26	7.04	-14.00	-19.61	-11.78	-6.47	-7.30	-0.04	-17.65	-6.38	-10.49	2.00

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL NONFARM.....	-	-	-	-	-	-	-	-	31326	31922	32348	32908
Percentage change.....	-	-	-	-	-	-	-	-	-	1.90	1.34	1.73
NATURAL RESOURCES & MINING.....	-	-	-	-	-	-	-	-	34998	33903	32971	33859
Percentage change.....	-	-	-	-	-	-	-	-	-	-3.13	-2.75	2.69
CONSTRUCTION.....	-	-	-	-	-	-	-	-	34757	34425	34781	34472
Percentage change.....	-	-	-	-	-	-	-	-	-	-0.96	1.04	-0.89
MANUFACTURING.....	-	-	-	-	-	-	-	-	36270	37613	38270	39058
Percentage change.....	-	-	-	-	-	-	-	-	-	3.70	1.75	2.06
DURABLE GOODS.....	-	-	-	-	-	-	-	-	35891	37437	37865	38459
Percentage change.....	-	-	-	-	-	-	-	-	-	4.31	1.14	1.57
NONDURABLE GOODS.....	-	-	-	-	-	-	-	-	36867	37882	38896	40018
Percentage change.....	-	-	-	-	-	-	-	-	-	2.75	2.68	2.88
TRADE, TRANSPORTATION, UTILITIES.....	-	-	-	-	-	-	-	-	29967	30582	30914	31394
Percentage change.....	-	-	-	-	-	-	-	-	-	2.05	1.08	1.55
WHOLESALE TRADE.....	-	-	-	-	-	-	-	-	41573	42168	43191	45020
Percentage change.....	-	-	-	-	-	-	-	-	-	1.43	2.43	4.23
RETAIL TRADE.....	-	-	-	-	-	-	-	-	22025	22459	22532	22426
Percentage change.....	-	-	-	-	-	-	-	-	-	1.97	0.32	-0.47
TRANSPORTATION & UTILITIES.....	-	-	-	-	-	-	-	-	37327	38336	38622	39503
Percentage change.....	-	-	-	-	-	-	-	-	-	2.70	0.75	2.28
INFORMATION.....	-	-	-	-	-	-	-	-	37959	38286	38912	40080
Percentage change.....	-	-	-	-	-	-	-	-	-	0.86	1.63	3.00
FINANCIAL ACTIVITIES.....	-	-	-	-	-	-	-	-	42915	43400	45809	46894
Percentage change.....	-	-	-	-	-	-	-	-	-	1.13	5.55	2.37
PROFESSIONAL & BUSINESS SERVICES.....	-	-	-	-	-	-	-	-	32601	33208	33663	34379
Percentage change.....	-	-	-	-	-	-	-	-	-	1.86	1.37	2.13
EDUCATION & HEALTH SERVICES.....	-	-	-	-	-	-	-	-	33135	33584	33652	34905
Percentage change.....	-	-	-	-	-	-	-	-	-	1.36	0.20	3.72
LEISURE & HOSPITALITY.....	-	-	-	-	-	-	-	-	15220	15564	15668	15645
Percentage change.....	-	-	-	-	-	-	-	-	-	2.26	0.67	-0.14
OTHER SERVICES.....	-	-	-	-	-	-	-	-	27332	28950	29288	29451
Percentage change.....	-	-	-	-	-	-	-	-	-	5.92	1.17	0.56
GOVERNMENT.....	-	-	-	-	-	-	-	-	29966	30599	31187	31648
Percentage change.....	-	-	-	-	-	-	-	-	-	2.11	1.92	1.48
FEDERAL, CIVILIAN.....	-	-	-	-	-	-	-	-	47012	48223	49701	51333
Percentage change.....	-	-	-	-	-	-	-	-	-	2.58	3.06	3.28
STATE & LOCAL.....	-	-	-	-	-	-	-	-	27469	28051	28552	28907
Percentage change.....	-	-	-	-	-	-	-	-	-	2.12	1.78	1.24

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL NONFARM.....	-	-	-	-	-	-	-	-	31983	33052	34135	35624
Percentage change.....	-	-	-	-	-	-	-	-	-	3.34	3.28	4.36
NATURAL RESOURCES & MINING.....	-	-	-	-	-	-	-	-	35730	35106	34791	36654
Percentage change.....	-	-	-	-	-	-	-	-	-	-1.75	-0.90	5.36
CONSTRUCTION.....	-	-	-	-	-	-	-	-	35485	35640	36703	37315
Percentage change.....	-	-	-	-	-	-	-	-	-	0.44	2.98	1.67
MANUFACTURING.....	-	-	-	-	-	-	-	-	37029	38945	40384	42283
Percentage change.....	-	-	-	-	-	-	-	-	-	5.18	3.69	4.70
DURABLE GOODS.....	-	-	-	-	-	-	-	-	36643	38763	39956	41634
Percentage change.....	-	-	-	-	-	-	-	-	-	5.79	3.08	4.20
NONDURABLE GOODS.....	-	-	-	-	-	-	-	-	37637	39224	41045	43325
Percentage change.....	-	-	-	-	-	-	-	-	-	4.22	4.64	5.56
TRADE, TRANSPORTATION, UTILITIES.....	-	-	-	-	-	-	-	-	30595	31665	32621	33987
Percentage change.....	-	-	-	-	-	-	-	-	-	3.50	3.02	4.19
WHOLESALE TRADE.....	-	-	-	-	-	-	-	-	42441	43660	45577	48740
Percentage change.....	-	-	-	-	-	-	-	-	-	2.87	4.39	6.94
RETAIL TRADE.....	-	-	-	-	-	-	-	-	22487	23254	23777	24278
Percentage change.....	-	-	-	-	-	-	-	-	-	3.41	2.25	2.11
TRANSPORTATION & UTILITIES.....	-	-	-	-	-	-	-	-	38109	39694	40755	42766
Percentage change.....	-	-	-	-	-	-	-	-	-	4.16	2.68	4.93
INFORMATION.....	-	-	-	-	-	-	-	-	38755	39643	41060	43391
Percentage change.....	-	-	-	-	-	-	-	-	-	2.29	3.58	5.68
FINANCIAL ACTIVITIES.....	-	-	-	-	-	-	-	-	43816	44935	48339	50766
Percentage change.....	-	-	-	-	-	-	-	-	-	2.55	7.58	5.02
PROFESSIONAL & BUSINESS SERVICES...	-	-	-	-	-	-	-	-	33287	34385	35522	37217
Percentage change.....	-	-	-	-	-	-	-	-	-	3.30	3.31	4.77
EDUCATION & HEALTH SERVICES.....	-	-	-	-	-	-	-	-	33829	34773	35512	37787
Percentage change.....	-	-	-	-	-	-	-	-	-	2.79	2.12	6.41
LEISURE & HOSPITALITY.....	-	-	-	-	-	-	-	-	15540	16114	16533	16936
Percentage change.....	-	-	-	-	-	-	-	-	-	3.69	2.60	2.44
OTHER SERVICES.....	-	-	-	-	-	-	-	-	27906	29979	30904	31879
Percentage change.....	-	-	-	-	-	-	-	-	-	7.43	3.08	3.15
GOVERNMENT.....	-	-	-	-	-	-	-	-	30594	31682	32909	34260
Percentage change.....	-	-	-	-	-	-	-	-	-	3.55	3.87	4.10
FEDERAL, CIVILIAN.....	-	-	-	-	-	-	-	-	47993	49926	52444	55564
Percentage change.....	-	-	-	-	-	-	-	-	-	4.03	5.04	5.95
STATE & LOCAL.....	-	-	-	-	-	-	-	-	28046	29045	30128	31294
Percentage change.....	-	-	-	-	-	-	-	-	-	3.56	3.73	3.87

Table 10: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
CIVILIAN LABOR FORCE (THOUS).....	2543	2646	2718	2758	2788	2812	2839	2864	2860	2883	2903	2908
Percentage change.....	2.57	4.03	2.73	1.48	1.09	0.84	0.96	0.89	-0.15	0.83	0.68	0.17
EMPLOYED PERSONS (THOUS).....	2392	2511	2574	2611	2640	2685	2722	2750	2728	2734	2742	2752
Percentage change.....	3.23	5.00	2.51	1.44	1.11	1.71	1.38	1.01	-0.77	0.19	0.31	0.35
UNEMPLOYED PERSONS (THOUS).....	152	135	144	147	148	127	117	114	131	150	161	156
Percentage change.....	-6.81	-11.24	6.98	2.31	0.66	-14.69	-7.85	-1.98	14.75	14.14	7.38	-2.93
PARTICIPATION RATE (PERCENT).....	64.2	65.8	66.5	66.4	66.2	66.0	65.7	64.4	63.4	63.2	62.9	62.3
Percentage change.....	1.19	2.44	1.09	-0.12	-0.27	-0.28	-0.54	-1.96	-1.56	-0.28	-0.50	-0.91
UNEMPLOYMENT RATE (PERCENT).....	6.0	5.1	5.3	5.3	5.3	4.5	4.1	4.0	4.6	5.2	5.5	5.4

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Table 11: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL TAXABLE SALES.....	55828	59879	63243	64843	69411	69028	74122	74661	73002	72250	73363	75141
Percentage change.....	5.37	7.26	5.62	2.53	7.05	-0.55	7.38	0.73	-2.22	-1.03	1.54	2.42
AUTO DEALERS.....	6193	6794	7166	7072	7006	7425	8312	8379	8469	8531	8932	8712
Percentage change.....	14.85	9.69	5.49	-1.32	-0.93	5.99	11.93	0.81	1.08	0.73	4.70	-2.46
PURCHASES FROM MANUFACTURERS.....	3529	3903	4176	4426	4596	4455	4344	4202	3876	3528	3728	3836
Percentage change.....	1.09	10.59	6.99	5.99	3.83	-3.05	-2.50	-3.28	-7.75	-8.98	5.68	2.89
MISC DURABLE GOODS.....	8619	10027	10841	11095	12504	11757	13151	13016	12107	11851	12213	13095
Percentage change.....	7.29	16.33	8.12	2.35	12.70	-5.98	11.85	-1.03	-6.99	-2.11	3.05	7.22
EATING AND DRINKING PLACES.....	4469	4882	5121	5285	5487	5707	6009	6205	6314	6335	6541	6875
Percentage change.....	1.71	9.25	4.88	3.21	3.81	4.00	5.30	3.26	1.75	0.33	3.25	5.12
FOOD STORES.....	7144	7635	7717	7801	7857	7892	8087	8132	7929	7360	6763	6666
Percentage change.....	-4.20	6.88	1.08	1.08	0.72	0.44	2.48	0.55	-2.50	-7.17	-8.11	-1.44
LIQUOR STORES.....	304	321	329	343	352	352	375	385	389	394	410	423
Percentage change.....	-6.87	5.59	2.25	4.37	2.50	0.21	6.39	2.64	1.05	1.33	4.16	3.05
HOTELS AND MOTELS.....	1640	1513	1540	1587	1711	1739	1797	1830	1749	1716	1725	1737
Percentage change.....	16.27	-7.71	1.73	3.06	7.82	1.66	3.31	1.83	-4.42	-1.90	0.57	0.70
OTHER RETAIL AND SERVICE.....	15602	16638	17720	18424	19320	19950	21167	21494	20961	20972	21416	21833
Percentage change.....	6.00	6.64	6.50	3.97	4.87	3.26	6.10	1.55	-2.48	0.05	2.12	1.95
MISC NONDURABLE GOODS.....	4744	5043	5238	5256	5772	5657	6323	6334	6181	6039	5937	6047
Percentage change.....	-1.41	6.31	3.86	0.35	9.83	-2.01	11.78	0.18	-2.43	-2.29	-1.70	1.85
TRANSPORTATION, COMMUNICATION.....	3583	3122	3396	3555	4806	4093	4558	4684	5029	5524	5697	5918
Percentage change.....	21.56	-12.87	8.76	4.69	35.19	-14.83	11.34	2.77	7.36	9.86	3.13	3.87
PER CAPITA (\$)......	10955	11575	12047	12186	12890	12690	13431	13129	12690	12458	12535	12715
Percentage change.....	3.86	5.65	4.08	1.15	5.78	-1.55	5.83	-2.25	-3.34	-1.83	0.62	1.44

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Table 12: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

December 2005

	Historical Data											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TOTAL TAXABLE SALES.....	49025	53693	57917	60662	66030	66259	72328	74655	74530	74806	77418	81339
Percentage change.....	7.81	9.52	7.87	4.74	8.85	0.35	9.16	3.22	-0.17	0.37	3.49	5.06
AUTO DEALERS.....	5439	6092	6563	6614	6665	7128	8110	8378	8648	8834	9426	9430
Percentage change.....	17.51	12.00	7.73	0.79	0.76	6.94	13.79	3.29	3.22	2.15	6.70	0.05
PURCHASES FROM MANUFACTURERS....	3099	3500	3824	4142	4372	4276	4238	4201	3957	3653	3934	4153
Percentage change.....	3.45	12.96	9.24	8.33	5.54	-2.19	-0.89	-0.87	-5.82	-7.68	7.71	5.55
MISC DURABLE GOODS.....	7570	8992	9927	10380	11896	11287	12833	13013	12359	12271	12889	14175
Percentage change.....	9.79	18.79	10.40	4.56	14.60	-5.12	13.70	1.40	-5.02	-0.72	5.04	9.98
EATING AND DRINKING PLACES.....	3925	4378	4690	4945	5220	5478	5864	6205	6446	6559	6902	7443
Percentage change.....	4.06	11.56	7.11	5.43	5.56	4.95	7.05	5.82	3.89	1.75	5.24	7.83
FOOD STORES.....	6272	6845	7068	7297	7474	7575	7892	8132	8094	7619	7137	7215
Percentage change.....	-1.97	9.13	3.26	3.24	2.42	1.35	4.18	3.05	-0.47	-5.87	-6.33	1.10
LIQUOR STORES.....	267	288	301	321	335	338	366	385	397	408	433	458
Percentage change.....	-4.72	7.82	4.45	6.62	4.23	1.12	8.17	5.18	3.16	2.76	6.16	5.72
HOTELS AND MOTELS.....	1440	1357	1410	1485	1627	1669	1753	1830	1785	1776	1821	1881
Percentage change.....	18.91	-5.77	3.88	5.32	9.62	2.58	5.03	4.35	-2.42	-0.50	2.48	3.31
OTHER RETAIL AND SERVICE.....	13702	14919	16229	17235	18379	19149	20655	21494	21400	21714	22599	23633
Percentage change.....	8.46	8.88	8.78	6.20	6.64	4.19	7.86	4.06	-0.44	1.47	4.08	4.57
MISC NONDURABLE GOODS.....	4165	4522	4796	4917	5492	5430	6170	6334	6309	6253	6265	6546
Percentage change.....	0.86	8.56	6.07	2.51	11.69	-1.12	13.61	2.67	-0.40	-0.89	0.19	4.48
TRANSPORTATION, COMMUNICATION.....	3146	2800	3110	3326	4571	3929	4448	4683	5134	5720	6012	6406
Percentage change.....	24.41	-11.01	11.08	6.95	37.44	-14.05	13.22	5.29	9.62	11.41	5.11	6.55
PER CAPITA (\$)......	9620	10379	11032	11400	12262	12181	13105	13127	12956	12899	13228	13764
Percentage change.....	6.27	7.89	6.30	3.33	7.57	-0.66	7.58	0.17	-1.31	-0.44	2.55	4.05

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Table 13: Tennessee Gross State Product by Sector (millions of 2000 dollars)

December 2005

	Historical Data										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GROSS STATE PRODUCT.....	-	-	-	-	163264	168164	173309	174346	176166	183529	191813
Percentage Change.....	-	-	-	-	-	3.00	3.06	0.60	1.04	4.18	4.51
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	-	-	-	-	1044	928	862	1182	1132	1075	1185
Percentage Change.....	-	-	-	-	-	-11.11	-7.11	37.12	-4.23	-5.04	10.23
MINING.....	-	-	-	-	359	396	448	441	406	380	355
Percentage Change.....	-	-	-	-	-	10.31	13.13	-1.56	-7.94	-6.40	-6.58
CONSTRUCTION.....	-	-	-	-	7607	7667	7605	7368	6721	6574	6744
Percentage Change.....	-	-	-	-	-	0.79	-0.81	-3.12	-8.78	-2.19	2.59
MANUFACTURING.....	-	-	-	-	32781	33018	33614	33135	32529	33913	35612
Percentage Change.....	-	-	-	-	-	0.72	1.81	-1.43	-1.83	4.25	5.01
DURABLE GOODS.....	-	-	-	-	18449	18889	19747	19274	19182	19966	21213
Percentage Change.....	-	-	-	-	-	2.38	4.54	-2.40	-0.48	4.09	6.25
NONDURABLE GOODS.....	-	-	-	-	14332	14129	13867	13861	13347	13947	14399
Percentage Change.....	-	-	-	-	-	-1.42	-1.85	-0.04	-3.71	4.50	3.24
TRADE, TRANSPORTATION, UTILITIES.....	-	-	-	-	32581	34570	36730	36720	37698	39607	41435
Percentage Change.....	-	-	-	-	-	6.10	6.25	-0.03	2.66	5.06	4.62
WHOLESALE TRADE.....	-	-	-	-	10645	11724	12440	11982	12696	13202	13158
Percentage Change.....	-	-	-	-	-	10.14	6.11	-3.68	5.96	3.99	-0.33
RETAIL TRADE.....	-	-	-	-	13413	13938	14747	14938	15681	16755	18125
Percentage Change.....	-	-	-	-	-	3.91	5.80	1.30	4.97	6.85	8.18
TRANSPORTATION & UTILITIES.....	-	-	-	-	8523	8908	9543	9800	9321	9650	10152
Percentage Change.....	-	-	-	-	-	4.52	7.13	2.69	-4.89	3.53	5.20
INFORMATION.....	-	-	-	-	4017	4327	4646	5140	5573	5885	6280
Percentage Change.....	-	-	-	-	-	7.72	7.37	10.63	8.42	5.60	6.71
FINANCIAL ACTIVITIES.....	-	-	-	-	24843	25829	27024	28066	29723	30140	31439
Percentage Change.....	-	-	-	-	-	3.97	4.63	3.86	5.90	1.40	4.31
PROFESSIONAL & BUSINESS SERVICES.....	-	-	-	-	15014	15643	16300	16559	16901	17721	18177
Percentage Change.....	-	-	-	-	-	4.19	4.20	1.59	2.07	4.85	2.57
EDUCATION & HEALTH SERVICES.....	-	-	-	-	14070	13900	13928	14271	14807	15583	16203
Percentage Change.....	-	-	-	-	-	-1.21	0.20	2.46	3.76	5.24	3.98
LEISURE & HOSPITALITY.....	-	-	-	-	6840	7083	7182	7167	6980	7246	7551
Percentage Change.....	-	-	-	-	-	3.55	1.40	-0.21	-2.61	3.81	4.21
OTHER SERVICES.....	-	-	-	-	4888	5025	4887	4779	4643	4695	4730
Percentage Change.....	-	-	-	-	-	2.80	-2.75	-2.21	-2.85	1.12	0.75
GOVERNMENT.....	-	-	-	-	19220	19778	20083	19518	19053	20710	22102
Percentage Change.....	-	-	-	-	-	2.90	1.54	-2.81	-2.38	8.70	6.72
FEDERAL.....	-	-	-	-	6047	6245	6154	5617	4672	5950	7069
Percentage Change.....	-	-	-	-	-	3.27	-1.46	-8.73	-16.82	27.35	18.81
STATE & LOCAL.....	-	-	-	-	13173	13533	13929	13901	14381	14760	15033
Percentage Change.....	-	-	-	-	-	2.73	2.93	-0.20	3.45	2.64	1.85

Table 14: Tennessee Durable Goods Manufacturing Gross State Product (millions of 2000 dollars)

December 2005

	Historical Data										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
DURABLE GOODS.....	-	-	-	-	18449	18889	19747	19274	19182	19966	21213
Percentage Change.....	-	-	-	-	-	2	5	-2.40	-0.48	4.09	6.25
WOOD PRODUCTS.....	-	-	-	-	811	909	887	883	817	804	784
Percentage Change.....	-	-	-	-	-	12	-2	-0.45	-7.47	-1.59	-2.49
NONMETALLIC MINERAL PRODUCTS.....	-	-	-	-	1249	1324	1313	1334	1188	1098	1190
Percentage Change.....	-	-	-	-	-	6	-1	1.60	-10.94	-7.58	8.38
PRIMARY METALS.....	-	-	-	-	1225	1324	1782	1191	1236	1267	1229
Percentage Change.....	-	-	-	-	-	8	35	-33.16	3.78	2.51	-3.00
FABRICATED METAL PRODUCTS.....	-	-	-	-	3160	3015	3308	3144	2852	2850	3031
Percentage Change.....	-	-	-	-	-	-5	10	-4.96	-9.29	-0.07	6.35
MACHINERY.....	-	-	-	-	2495	3001	2989	2871	2884	2844	2761
Percentage Change.....	-	-	-	-	-	20	0	-3.95	0.45	-1.39	-2.92
COMPUTER & ELECTRONIC PRODUCTS.....	-	-	-	-	255	373	463	728	1948	2117	2670
Percentage Change.....	-	-	-	-	-	46	24	57.24	167.58	8.68	26.12
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS.....	-	-	-	-	2087	1833	1862	1834	1853	1850	2007
Percentage Change.....	-	-	-	-	-	-12	2	-1.50	1.04	-0.16	8.49
TRANSPORTATION EQUIPMENT.....	-	-	-	-	4716	4744	4572	4754	4113	4835	5205
Percentage Change.....	-	-	-	-	-	1	-4	3.98	-13.48	17.55	7.65
FURNITURE.....	-	-	-	-	1057	1044	1059	1058	818	781	723
Percentage Change.....	-	-	-	-	-	-1	1	-0.09	-22.68	-4.52	-7.43
MISCELLANEOUS DURABLE GOODS.....	-	-	-	-	1394	1322	1512	1477	1473	1520	1613
Percentage Change.....	-	-	-	-	-	-5	14	-2.31	-0.27	3.19	6.12

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Table 15: Tennessee Nondurable Goods Manufacturing Gross State Product (millions of 2000 dollars) **December 2005**

	Historical Data										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONDURABLE GOODS.....	—	—	—	—	14332	14129	13867	13861	13347	13947	14399
Percentage Change.....	—	—	—	—	—	-1	-2	-0.04	-3.71	4.50	3.24
FOOD AND BEVERAGE & TOBACCO.....	—	—	—	—	3610	3735	3807	3859	3844	3745	3810
Percentage Change.....	—	—	—	—	—	3	2	1.37	-0.39	-2.58	1.74
TEXTILE MILLS AND TEXTILE PRODUCT MILLS.....	—	—	—	—	756	776	716	737	694	697	727
Percentage Change.....	—	—	—	—	—	3	-8	2.93	-5.83	0.43	4.30
APPAREL.....	—	—	—	—	1123	1023	719	699	574	627	605
Percentage Change.....	—	—	—	—	—	-9	-30	-2.78	-17.88	9.23	-3.51
PAPER.....	—	—	—	—	1809	1807	1833	1657	1737	1861	2065
Percentage Change.....	—	—	—	—	—	0	1	-9.60	4.83	7.14	10.96
PRINTING & RELATED SUPPORT.....	—	—	—	—	1330	1321	1276	1308	1159	1155	1136
Percentage Change.....	—	—	—	—	—	-1	-3	2.51	-11.39	-0.35	-1.65
CHEMICALS.....	—	—	—	—	3459	3283	3211	2994	3034	3262	3430
Percentage Change.....	—	—	—	—	—	-5	-2	-6.76	1.34	7.51	5.15
PLASTICS & RUBBER.....	—	—	—	—	2140	2064	2160	2134	1908	2100	2164
Percentage Change.....	—	—	—	—	—	-4	5	-1.20	-10.59	10.06	3.05
MISCELLANEOUS NONDURABLE GOODS.....	—	—	—	—	105	120	145	473	397	500	462
Percentage Change.....	—	—	—	—	—	14	21	226.21	-16.07	25.94	-7.60

Center for Business and Economic Research, University of Tennessee

Tennessee Econometric Model